



遠東發展有限公司

Far East Consortium International Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 035

Future-Ready

ANNUAL REPORT 2016





Departures

Flight	Destination	Time
HK035	UNITED KINGDOM	19:30
HK035	MALAYSIA	19:30
HK035	SINGAPORE	19:45
HK035	CHINA	19:40
HK035	HONG KONG	19:50
HK035	AUSTRALIA	20:05
HK035	NEW ZEALAND	20:10
HK035		20:20
HK035		20:45

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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

Dennis CHIU, B.A.

Craig Grenfell WILLIAMS, B.ENG.
(CIVIL)

Non-executive Director

Denny Chi Hing CHAN, EMBA

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

Dennis CHIU

Craig Grenfell WILLIAMS

Boswell Wai Hung CHEUNG

MANAGING DIRECTOR

Chris Cheong Thard HOONG

CHIEF FINANCIAL OFFICER

Boswell Wai Hung CHEUNG

COMPANY SECRETARY

Tak Shing CHOI

AUTHORISED REPRESENTATIVES

David CHIU

Tak Shing CHOI

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

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

The Bank of East Asia, Limited

Malaysia

Public Bank Berhad

OCBC Bank (Malaysia) Berhad

Singapore

CIMB Bank Berhad

Oversea-Chinese Banking

Corporate Limited

The Hongkong and Shanghai

Banking Corporation Limited

Australia

Australia and New Zealand Banking
Group Limited

Bank of Western Australia

Commonwealth Bank of Australia
Limited

Oversea-Chinese Banking

Corporation Limited

United Overseas Bank Limited

Westpac Banking Corporation

Mainland China

China Construction Bank
Corporation

Dah Sing Bank (China) Limited

HSBC Bank (China) Company
Limited

Industrial and Commercial Bank of
China Limited

Public Bank (Hong Kong) Limited

Shanghai Pudong Development
Bank

Wing Lung Bank Limited

United Kingdom

Oversea-Chinese Banking
Corporation Limited

The Bank of East Asia, Limited

PLACE OF INCORPORATION

Cayman Islands

REGISTERED OFFICE

P.O. Box 1043, Whitehall House,
238 North Church Street,
George Town,
Grand Cayman KY1-1102,
Cayman Islands

PRINCIPAL OFFICE

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

SHARE REGISTRAR

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

LISTING INFORMATION

Ordinary Shares (Code: 035)

5.875% CNY Bonds 2016

(Code: 85915)

(Due on 4 March 2016)

6.0% CNY Bonds 2018 of Dorsett

(Code: 85917)

The Stock Exchange of Hong Kong
Limited

WEBSITE

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



MAJOR EVENTS OF FINANCIAL YEAR 2016

Destination Brisbane Consortium, a joint venture between the Group, The Star Entertainment Group and Chow Tai Fook Enterprises Limited was selected by the Queensland State as the preferred proponent to undertake the Queen's Wharf Project which entails the development of an entertainment precinct and integrated resort as well as residential development at Queen's Wharf Brisbane, Queensland, Australia.



Award of tender of a residential development project at Alexandra View, Singapore. The site is located next to Redhill MRT station in Singapore with GFA of approximately 440,000 square feet.



The Group won a government tender for a residential site in Shatin Heights, Hong Kong with maximum GFA of approximately 88,000 square feet.



JULY 2015

AUGUST 2015

Followed by launching of "Star Ruby", "Sevilla Crest" and "Eivissa Crest" in Hong Kong, the Group launched its luxury boutique residence, "Aspen Crest", located at Kowloon East catchment with SFA of approximately 64,000 square feet.



OCTOBER 2015

Privatization of Dorsett completed. An approximately 7.42% of the enlarged share capital of the Company were issued and a total cash consideration of approximately HK\$394 million was paid.



NOVEMBER 2015

MARCH 2016

The Group entered into Memoranda of Understanding with its Queen's Wharf Brisbane Partners, Chow Tai Fook Enterprises Limited and The Star Entertainment Group Limited for development of The Star Entertainment Group's properties in Sydney and Gold Coast.
Sydney: a Ritz Carlton Hotel with food and beverage outlets.
Gold Coast: A 200-metre tower with 700 hotel rooms and residential apartments.

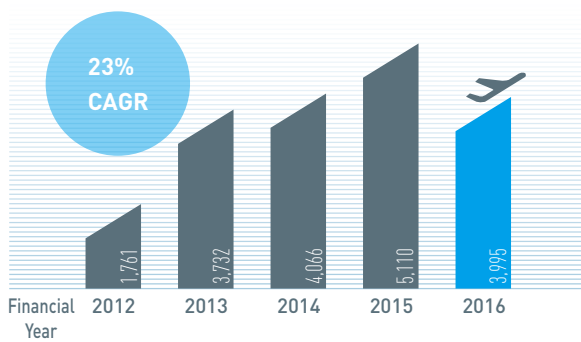


INCOME STATEMENT HIGHLIGHTS

	For the year ended 31 March					CAGR
	2012	2013	2014	2015	2016	
Revenue (HK\$m)	1,761	3,732	4,066	5,110	3,995	23%
Net profit attributable to Shareholders (HK\$m)	448	903	914	957	734	13%
Basic EPS (HK cents)	23	50	51	51	37	13%
Total dividend (HK cents)	6	13	15	16	16	28%

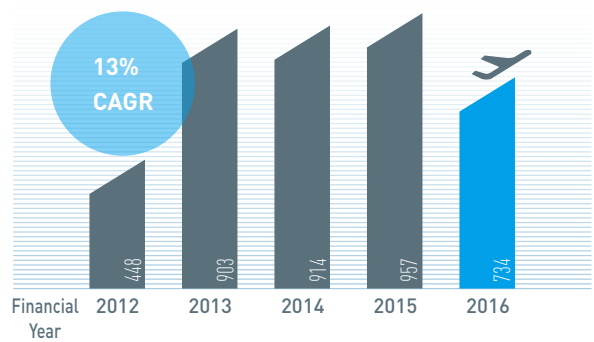
Revenue

(HK\$m)



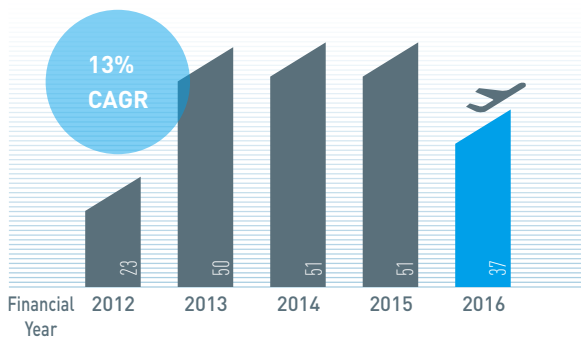
Net Profit Attributable to Shareholders

(HK\$m)



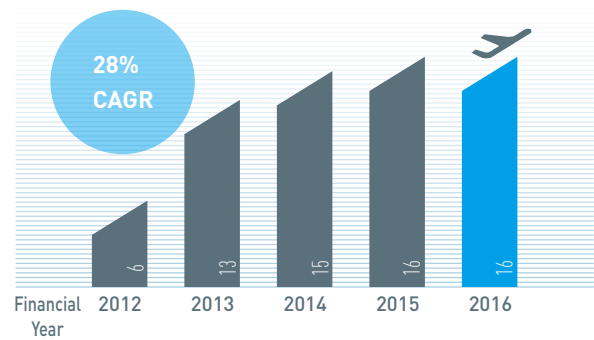
Basic EPS

(HK cents)



Total Dividend

(HK cents)



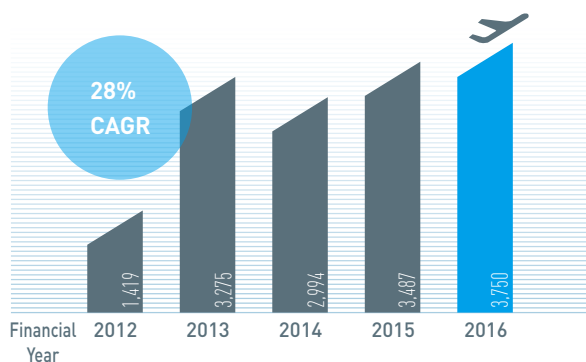


STATEMENT OF FINANCIAL POSITION HIGHLIGHTS

	As at 31 March					CAGR
	2012	2013	2014	2015	2016	
Cash balance and investment securities (HK\$m)	1,419	3,275	2,994	3,487	3,750	28%
Total assets (HK\$m)	16,393	19,418	21,986	22,216	26,160	12%
Net assets value attributable to Shareholders (HK\$m)	7,452	8,013	8,750	9,144	10,140	8%
Adjusted net assets value attributable to Shareholders* (HK\$m)	13,117	14,942	16,864	17,263	20,872	12%

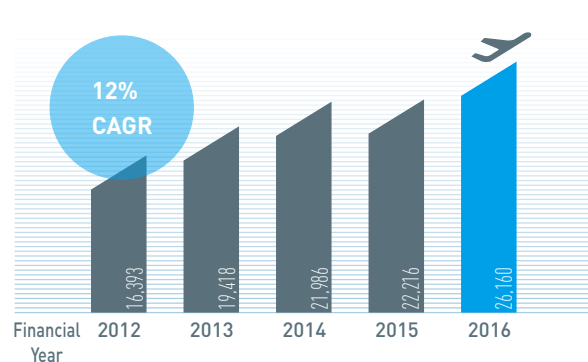
Cash Balance and Investment Securities

(HK\$m)



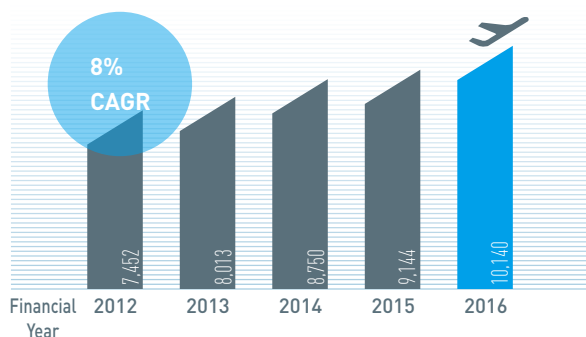
Total Assets

(HK\$m)



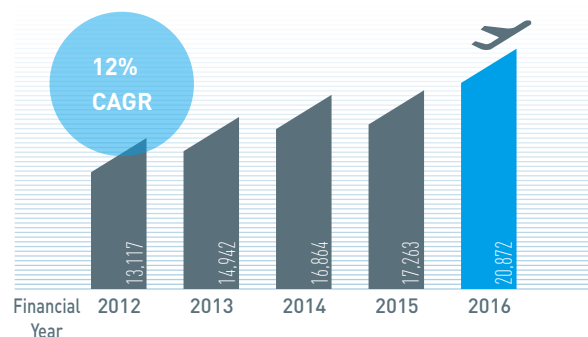
Net Assets Value Attributable to Shareholders

(HK\$m)



Adjusted Net Assets Value Attributable to Shareholders*

(HK\$m)



* Adjusting for hotel revaluation surplus

A nighttime photograph of a city skyline, featuring several illuminated skyscrapers. The image is framed by a dark blue border with white corner brackets.

MELBOURNE

— West Side Place —

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT



CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT



I am proud that the Group has made several remarkable achievements in the current financial year. We have built a strong property development pipeline to maintain growth whereas cumulative presales value of properties under development has hit a record high at HK\$7.5 billion. During the Year, a series of major residential projects have been launched, including The Towers at Elizabeth Quay in Perth, Australia, King's Manor of California Garden in Shanghai, Aspen Crest in Hong Kong and Royal Riverside in Guangzhou. Sales performance of West Side Place in Melbourne, Australia, which was launched in FY2017 after the year end, is encouraging, while Royal Crest II in Shanghai and the other two projects in Hong Kong, namely Tan Kwai Tsuen and Sha Tau Kok, are expected to be launched for sales in FY2017. The gross development value of development pipelines launched in FY2016 and to be launched in FY2017 is expected to exceed HK\$15.5 billion in total. The strong sales will lead to strong cash flow and sound financial position.

Furthermore, the Group has spent efforts in developing new projects. Queen's Wharf in Brisbane, Australia, an integrated resort and residential project, will be one of the most encouraging projects in our international arena; the projects in Sydney and Gold Coast have enlarged our production base which enable our development projects entering into the top five cities in Australia. We seized the opportunities in the economic downturn and added projects such as Alexandra View in Singapore and Shatin Heights in Hong Kong to the development pipeline. The track record of acquiring lands at competitive costs in almost every land sale has proven the excellent vision of the management. These new developments have demonstrated that the strategy "Diversified in Region and Focus on Businesses" we adhered to was right amidst the current economic uncertainties. The Group takes advantages from peaks and troughs in different property markets to achieve steady growth by riding on the strength of diversified geographic locations.

The Group will keep adopting the "Chinese Wallet" strategy which targets China's growing middle class travels and investment in major world cities, pursue development in diversified geographic locations, including Australia, the UK, Singapore, Malaysia, Hong Kong and first-tier cities in the Mainland China, and focus on three main businesses — residential, hotels and car parks. The middle class in China's moderately prosperous society is growing rapidly. During the Chinese President Xi Jinping's visit to the United States in 2015, he indicated that the population of middle class in China was close to 300 million and was expected to double in the coming 10 years, while the middle-class population in the United States is only 150 million. This means that the consumption demand in China will be fourfold of that in the United States. It will even become the main driver of the economy in the future. The enthusiasm of travelling abroad and investing in overseas residential properties has been rising. I believe that adhering to the strategy of "Chinese Wallet" will provide considerable revenue and sustainable growth for the Group.



For corporate social responsibility, the Group is committed to striking a balance between earnings and sustainable development. We believe outstanding business environment, society and corporate governance are of utmost importance to pertaining a long-term sustainable success. The Group devotes to encouraging staff to participate in community services with non-profit organizations, social enterprises and governments so as to enhance harmony among countries and communities where the Group operates business and to create more job opportunities for the society. The Group is pleased that our efforts made for corporate social responsibility are recognized by the society. During the Year, the Group was granted major awards including “Best at Corporate Social Responsibility” award in the “Asia’s Best Managed Companies 2016” Poll organized by FinanceAsia and “Top 4 Best Company in Asia for Corporate Governance” in Asiamoney Corporate Governance 2015 Poll and “2015 Asiamoney Best Managed Company Award (Small Cap)” by Asiamoney. In addition, the Group also received several international awards in company management, corporate governance, investor relations and corporate social responsibility. The Group will continue to respond to concerns and demands of our shareholder and other stakeholders through various channels.

Looking ahead, as the global economy remains challenging, the Group will pay close attention to regional economy and adjust our strategy and deploy accordingly. We will also keep watching on the impact of the event of Brexit on the Group. It is believed that the recent depreciation of sterling pound resulting from the event of Brexit will boost the tourism of the UK and thus be conducive to the Group’s hotel business. Currently only 5% of the Group’s assets are in the UK, thus the impact of Brexit is not material to the Group. In the long run, the Group is confident about the prosperous development of its businesses in the UK. We have a strong balance sheet and sufficient cash flow to tackle challenges ahead, and conduct acquisitions and expansions during economic downturn. With the right business models, the Group is able to maintain a stable dividend payout and achieve sustainable and steady long-term growth. The Group will continue to provide returns to shareholders by continuously increasing net asset value and maintaining steady dividend payout ratio.

I would like to thank our shareholders, partners, customers and our 3,400 staff on behalf of the Group for their efforts, which have promoted the sustainable and steady development of our business and contributed to the Group’s success.

Chairman and Chief Executive Officer

David CHIU

BRISBANE

— Queen's Wharf —



MANAGING DIRECTOR'S REPORT



MANAGING DIRECTOR'S REPORT



INTRODUCTION

FY2016 was a fruitful year for the Group. We completed a number of major initiatives which will have a long-term positive implication for the development of the Group. In summary, during FY2016,

- We completed the privatization of Dorsett and streamlined our hotel operations
 - Together with Destination Brisbane Consortium partners, we won the development rights for Queen's Wharf Brisbane project, which come with an exclusive casino license
 - We launched pre-sale of four new residential projects with gross development value of approximately HK\$7.5 billion
- We won tenders for two new residential sites located in Hong Kong and Singapore
 - We reached preliminary agreements with our partners in Destination Brisbane Consortium to develop casino sites located in Sydney and Gold Coast
 - We upgraded our technology platform for car park management
 - We refinanced a CNY 1,000,000,000 5.875 per cent bond due on 4 March 2016 with an unsecured syndicated loan with substantially lower financing cost
 - We won numerous international awards on company management, investor relations and corporate governance

These initiatives are consistent with the Group's strategy of building strong long term recurring cashflow streams as well as achieving diversification of earnings sources through our regionalization strategy targeting "Chinese Wallets".

RESULTS HIGHLIGHTS

For FY2016, the Group recorded revenue of HK\$3,995 million (FY2015: HK\$5,110 million). Despite lower revenue for the year mainly due to completion of fewer residential property developments, weaker performance in hotel operations and adverse exchange rate movements, the Group achieved better overall gross margin of 42.7% (FY2015: 38.1%), driven by better margins on our residential development projects.

Net profit for FY2016 was HK\$734 million (FY2015: HK\$957 million) which represents a 23.3% decline.



Reflecting confidence in the financial position of the Company, the Board recommended a final dividend of HK\$0.13 per share. Together with an interim dividend of HK\$0.03 per share, total dividend for the year will amount to HK\$0.16 per share, representing a payout ratio of 43.2% (FY2015: 31.4%).

During the year, the Group launched a number of residential projects. As at 31 March 2016, the Group recorded cumulative pre-sales of HK\$7.5 billion which provides good visibility for the Group's property sales in the coming years. Additionally, the Group launched presales for Royal Crest II in Shanghai and West Side Place Tower 1 and 2 in Melbourne recently, the results of which were encouraging, providing us with strong confidence to execute our planned pipeline.

For more details on business review, please refer to the section entitled "Management Discussion and Analysis"

PRIVATIZATION OF DORSETT

The completion of the privatization of Dorsett provided the Group with a number of benefits. The cash and share offer helped to improve the Company's trading liquidity and provided an enhancement of its net asset value per share.

Successful completion of the exercise also provided the Group with a greater degree of flexibility on capital deployment among the different business divisions of the Group. An example would be the increase in the leverage ratio of its hotel in Singapore and allocation of the freed up capital to finance the land acquisition of the Alexandra View site in Singapore. We believe such flexibility will allow the Group to generate higher return on capital employed in the long run.

CAPITAL STRUCTURE AND BALANCE SHEET MANAGEMENT

Adhering to prudent financial management, the Group continued to optimize its capital structure.

During the Year, the Group carried out share repurchases and bought back approximately 29.6 million Shares from the market, as part of its capital management exercise. The Group also refinanced its CNY 1,000,000,000 5.875 per cent bond with a 3-year unsecured syndicated loan with substantially lower financing cost.

Even with the cash deployed for the privatization of Dorsett and the share repurchases, the Group managed to maintain a healthy liquidity position.

As at 31 March 2016, the Group's cash and liquidity positions amounted to HK\$3.8 billion (HK\$3.5 billion as at 31 March 2015). In addition, the Group's undrawn banking facilities was at HK\$5.4 billion and the Group had 8 unencumbered hotel assets with capital value of HK\$3.0 billion, which can be used as collateral for further bank borrowings and can provide further liquidity to the Group, should this be necessary.

MANAGING DIRECTOR'S REPORT

Net gearing ratio (adjusted for hotel revaluation surplus of HK\$10,732 million which was not recognized on the balance sheet) was at 37.7%, which still provides room for further leverage without significantly affecting the Group's credit standing.

To unlock value tied up in the Group's hotel portfolio, we are evaluating options to monetize certain non-core hotel assets. We hope that through this exercise, we can further improve the liquidity position of the Group whilst demonstrating to our Shareholders the underlying value of our hotel portfolio.

CORPORATE GOVERNANCE AND IMPROVEMENT IN TRANSPARENCY

In recognition of the Group's effort to improve transparency and enhance its investor relations functions, the Group received a number of international awards. These include awards in the areas of company management, investor relations, and corporate governance.

Examples of such awards include the "2015 Asiamoney Best Managed Company Award (Small Cap)" by Asiamoney, "Top 8 Best at Corporate Social Responsibility" award in the "Asia's Best Managed Companies 2016" Poll organized by FinanceAsia, eight awards highlighted by "Top 4 Best Company in Asia for Corporate Governance" in Asiamoney Corporate Governance 2015 Poll, "2015 Grand Prix for Overall Investor Relations (Small Cap)", "Best in Sector: Real Estate", "Top 4 Best Investor Relations Officer (Small and Mid Cap)-Venus Zhao" by IR magazine, "Top 3 Best Investor Relations Professional-Venus Zhao" in the 2016 All-Asia (ex-Japan) Executive Team rankings of the Institutional Investor magazine, the Bronze Award in the "2015 iNOVA Awards competition", the "Best Listed Company" in the 2015 China Financial Market Listed Companies Awards, and "Best IR Company (Small Cap)" in the HKIRA 2nd IR Awards.

PROSPECTS

It is expected that the global economy will remain challenging in the coming year. The strong US dollar, the scale and timing of interest rate hikes and the further slowdown of the economic growth in China is likely to intensify volatility in global financial markets, which may have an impact on the broader economy. Government tightening measures on the property market across different regions in Asia will also likely persist for a period of time.

In the hotel sector, market condition in Hong Kong is expected to remain difficult in the near term with a decline in visitation from Mainland Chinese tourists. However, in the broader market across Asia and in London, the industry as a whole is expected to benefit from the growing middle class in Asia who are traveling more frequently and spending more.

Against this backdrop, we see many opportunities ahead. During the past year, the softening of the property sector in Hong Kong and Singapore provided an opportunity for the Group to acquire land at a lower cost, while the hotel sector downturn in Hong Kong enabled the Group to implement renovations and prepare itself for the next cycle.



The Group will continue to selectively expand its development pipeline and will continue to seek regional diversification. We will maintain resilient through economic cycles and we will seek to grow further by taking advantage of short-term market instabilities. We will also seek to de-risk development projects through earlier presales of properties, even before construction.

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 through regional expansion as well as technology enhancement.

In terms of business strategies, the Group will implement the following strategies to exploit its potential and generate new growth:

- **Regional Diversification:** The Group will continue to adhere to the regional diversification strategy focusing on "Chinese Wallet". We will seek to take advantage of different property cycles in the different markets. The Group's regional knowledge and local expertise enable it to develop and deliver products that target Asia's rapidly-expanding and increasingly affluent middle class.
- **Deliver a strong residential pipeline:** The Group will continue to focus on the mass market for its residential projects. We are confident that, with a strong pipeline of properties set for launch, the Group will maintain its sales momentum in the coming years.
- **Enhance recurring income from hotels, car parks and integrated resorts projects:** The Group will evaluate and strategically adjust its mix of assets from time to time, monetize some of its hotel assets to unlock the hidden value in the portfolio, while enhancing recurring income through selectively adding new hotels to the portfolio. The Group will also seek to improve operational efficiency to enhance the value of its hotels.

The Group will continue to enhance its financial management capability while always adhering to prudent financial management. We will stick firmly to the principle of "Cash is King" and use our resources wisely on higher return projects.

With the foundation that the Group has laid in the past, it is well-positioned for long-term and sustainable growth and we are ready to embrace the harvest season. Dorsett is now wholly owned by the Group and will enable the Group to benefit more fully from the significant growth potential of the tourism industry in Asia. With the recent addition of the Queen's Wharf Brisbane project in Australia and the strong residential development pipeline, the Group can expect a stable growth in the mid-term.

I would like to take this opportunity to thank our members of the Board and our diligent employees for their hard work, loyal service and contributions during the year.

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 62, 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 and withdrew from listing on the Hong Kong Stock Exchange, a subsidiary of the Company). He was the chairman of the board of directors of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange, until 31 March 2015.

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 47, 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 (formerly known as Kosmopolito Hotels International Limited and withdrew from listing on the Hong Kong Stock Exchange, 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. DENNIS CHIU, B.A.

(Executive Director)

Mr. CHIU, aged 57, 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 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 64, 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. DENNY CHI HING CHAN, EMBA

(Non-executive Director)

Mr. CHAN, aged 52, was appointed as an Executive Director of the Company in August 2012 and re-designated as a Non-executive Director on 1 January 2016. He has been the Group's Chief Operating Officer from March 2004 to December 2015. He was 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 led 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.

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. KWOK WAI CHAN

(Independent Non-executive Director)

Mr. CHAN, aged 57, was appointed as an Independent Non-executive Director of the Company in November 2005. He is a member of The Hong Kong Securities and Investment Institute and a member of CPA Australia. Mr. CHAN is a director of High Progress Consultants Limited and also an independent non-executive director of Chinese Estates Holdings Limited (stock code: 127), China Investments Holdings Limited (stock code: 132), Tern Properties Company Limited (stock code: 277) and National Electronics Holdings Limited (stock code: 213).

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

MR. PETER MAN KONG WONG, J.P.

(Independent Non-executive Director)

Mr. WONG, aged 67, 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 82, 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)

Mr. CHEUNG, Wai Hung Boswell, aged 45, joined the Company as Chief Financial Officer in September 2010. He is responsible for financial functions and investor relations of the Company. Currently, he is a director of certain subsidiaries of the Company, an audit committee member of AGORA Hospitality Group Co., a company listed on the Tokyo Stock Exchange and an independent non-executive director of Capinfo Company Limited, a company listed on the Hong Kong Stock Exchange (stock code: 1075).

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				2016 HK\$'000
	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000	
RESULTS					
Revenue	1,760,951	3,732,172	4,066,494	5,109,780	3,995,090
Profit before taxation	717,656	1,023,979	1,245,886	1,328,354	979,309
Income tax (expense) credit	(103,131)	54,391	(219,851)	(330,406)	(221,347)
Profit for the year	614,525	1,078,370	1,026,035	997,948	757,962
Basic Earnings per Share	23 cents	50 cents	51 cents	51 cents	37 cents

	As at 31 March				2016 HK\$'000
	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000	
ASSETS AND LIABILITIES					
Total assets	16,393,315	19,418,094	21,985,291	22,215,596	26,160,621
Total liabilities	(7,893,306)	(10,267,634)	(12,034,461)	(11,954,667)	(15,893,366)
Non-controlling interests	8,500,009	9,150,460	9,950,830	10,260,929	10,267,255
Shareholders' funds	(1,048,389)	(1,137,930)	(1,200,927)	(1,117,279)	(127,123)
Shareholders' funds	7,451,620	8,012,530	8,749,903	9,143,650	10,140,132



LONDON

-Dorsett Shepherds Bush-

MANAGEMENT DISCUSSION AND ANALYSIS





MANAGEMENT DISCUSSION AND ANALYSIS



KEY ACHIEVEMENTS AND FINANCIAL HIGHLIGHTS

- Completed privatisation of Dorsett.
- Won Queen's Wharf development project.
- Cumulative presales value of properties under development reached a record high of approximately HK\$7.5 billion as at 31 March 2016.
- Pipeline of development projects at approximately HK\$39 billion as at 31 March 2016.
- Adjusting for hotel revaluation surplus and reflecting the completion of the privatization of Dorsett, net assets attributable to shareholders increased by 8.5% to HK\$9.79 per share⁽ⁱ⁾.
- Net gearing ratio was at 37.7%⁽ⁱⁱ⁾ and total cash and investment securities balance as at 31 March 2016 was at approximately HK\$3.8 billion.
- Group achieved better overall gross profit margin of 42.7% (FY2015: 38.1%) driven by better margin on residential development projects.
- Net profit attributable to shareholders amounted to approximately HK\$734 million, a decrease of 23.3% over the previous financial year ("FY2015"). Adjusted cash profit⁽ⁱⁱⁱ⁾ amounted to HK\$853 million (FY2015: HK\$836 million).
- Basic earnings per share amounted to HK\$0.37. Final dividend maintained at HK\$0.13 per share (2015: HK\$0.13 per share). The full year dividend was HK\$0.16 per share (2015: HK\$0.16 per share), representing an increase in dividend payout ratio to 43.2%, reflecting confidence in financial position of the Group.

Notes:

- (i) Revaluation surplus on hotel assets of approximately HK\$10,732 million was based on independent valuation carried out as at 31 March 2016 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.
- (ii) 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 the unrecognised revaluation surplus on hotel assets.
- (iii) Adjusted cash profit is calculated by adding depreciation and amortisation charges to, and subtracting fair value gain in investment properties from net profit attributable to shareholders. The amount is adjusted for minority interests.



FINANCIAL REVIEW

1. Annual results

	For the year ended 31 March		
	2016 HK\$ million	2015 HK\$ million	Change
Revenue			
Sales of properties	1,979	2,962	-33.2%
Hotel operations and management	1,321	1,454	-9.1%
Car park operations and facilities management	623	616	+1.1%
Leasing and others	72	78	-7.7%
Total Revenue	3,995	5,110	-21.8%

The Company's consolidated revenue for FY2016 was approximately HK\$4.0 billion, a decrease of 21.8% as compared with FY2015.

Revenue from sales of properties amounted to approximately HK\$1,979 million in FY2016, a decrease of 33.2% as compared with FY2015, primarily due to completion of fewer residential property developments and hence lower sales recognition arising from presales of completed residential projects. During the financial year, projects completed included Upper West Side, Midtown (Stage 3) in Melbourne, and King's Manor in Shanghai. King's Manor was completed about a week before 31 March 2016 and further units were delivered after the year end. In addition, the Group also recognized sales of properties in View Pavilion in Shanghai which was completed in the previous financial year.



Queen's Wharf Brisbane Project, Australia



King's Manor, Shanghai

MANAGEMENT DISCUSSION AND ANALYSIS

In FY2016, revenue from hotel operations and management amounted to approximately HK\$1,321 million, a decrease of 9.1% compared to FY2015. The decrease was attributable mainly to decrease in average room rate and occupancy in the Hong Kong market as a result of a decrease in the number of overnight visitors from Mainland China, and the relative strength of the Hong Kong dollar which affected the Hong Kong hotel market where the Group has a significant presence.

Revenue from car park operations and facilities management amounted to approximately HK\$623 million in FY2016, an increase of 1.1% as compared to FY2015 despite a weakened Australian and Malaysian dollar against Hong Kong dollar, as a result of the contribution of newly added car parks, with approximately 4,600 car park bays added to the Group's car park management portfolio during FY2016. Assuming constant exchange rate, revenue from the Group's car park operations increased by 11.5%.

Revenue from leasing of properties and others was largely unchanged, compared with FY2015, amounting to approximately HK\$72 million.



Dorsett City, London



Dorsett, Singapore



Car Park Operation





In general, contributions from non-Hong Kong operations were affected by adverse currency movement of foreign currencies against Hong Kong dollar. The table below sets forth the exchange rates of Hong Kong dollar against the local currency of countries where the Group has significant operation:

Rates as at	31 March 2016	31 March 2015	Change
HK\$/AUD	5.93	5.92	0.2%
HK\$/RMB	1.20	1.25	-4.0%
HK\$/MYR	1.97	2.09	-5.7%
HK\$/GBP	11.12	11.46	-3.0%
HK\$/SGD	5.74	5.63	2.0%

Average rates for	FY2016	FY2015	Change
HK\$/AUD	5.93	6.54	-9.3%
HK\$/RMB	1.23	1.26	-2.4%
HK\$/MYR	2.03	2.23	-9.0%
HK\$/GBP	11.29	12.17	-7.2%
HK\$/SGD	5.69	5.89	-3.4%

	For the year ended 31 March		Change
	2016 HK\$ million	2015 HK\$ million	
Gross Profit			
Sales of properties	1,002	1,086	-7.7%
Hotel operations and management	541	691	-21.7%
Car park operations and facilities management	117	124	-5.6%
Leasing and others	46	45	+2.2%
Total Gross Profit	1,706	1,946	-12.3%
Gross Profit Margin			
Sales of properties	50.6%	36.7%	
Hotel operations and management	41.0%	47.5%	
Car park operations and facilities management	18.8%	20.1%	
Leasing and others	63.9%	57.7%	
Total Gross Profit Margin	42.7%	38.1%	

MANAGEMENT DISCUSSION AND ANALYSIS

SALES OF PROPERTIES
GROSS PROFIT MARGIN

↑ **13.9ppts**
TO **50.6%**

Gross profit for FY2016 was approximately HK\$1,706 million, a decrease of 12.3% as compared with FY2015. Gross profit from sales of properties amounted to approximately HK\$1,002 million in FY2016, representing a decrease of 7.7% from FY2015. Gross profit margin from sales of properties increased to 50.6% in FY2016 compared to 36.7% in FY2015. The increase in gross profit margin was mainly due to the high profit margin in View Pavilion and King's Manor, both in Shanghai.

Gross profit from hotel operations and management amounted to approximately HK\$541 million in FY2016, representing a decrease of 21.7% as compared to FY2015. Gross profit margin from hotel operations and management decreased to 41.0% in FY2016, mainly due to the reduction in RevPAR in the Hong Kong hotels operation which is a major market for the Group's hotel operations and management.

Gross profit contribution from car park operations and facilities management decreased by 5.6% to approximately HK\$117 million for FY2016 due to a weakened Australian Dollar and Malaysian Ringgit against Hong Kong Dollar. Gross profit margin diluted slightly to 18.8% mainly due to a slight change in sales mix as revenue growth, in local currency terms, skewed towards third party car parks management contracts.

Gross profit from leasing and others was approximately HK\$46 million and the segment's gross profit margin was 63.9% in FY2016.

Net profit attributable to shareholders of the Company for FY2016 amounted to approximately HK\$734 million, representing a decrease of 23.3%, compared with the last financial year, primarily due to completion of fewer residential property projects, hence lower sales recognition for pre-sales of completed residential projects, the performance of hotel operations and management in the Hong Kong market, adverse currency movements and a lower revaluation gain from investment properties during the current financial year.

Adjusted cash profit attributable to shareholders is calculated by adding depreciation and amortisation charges to, and subtracting fair value gain in investment properties from net profit attributable to shareholders which amounted to HK\$853 million (FY2015: HK\$836 million). The figure is adjusted for minority interests.



Dorsett Shepherd's Bush, London



Car park operations in Australia



West Side Place, 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 2016.

	As at 31 March	
	2016 HK\$ million	2015 HK\$ million
Bank loans and bonds		
Due within 1 year	1,864	3,821
Due 1-2 years	1,691	530
Due 2-5 years	7,198	5,167
Due more than 5 years	920	301
Total bank loans and bonds	11,673	9,819
Investment securities	1,219	1,151
Bank and cash balances	2,531	2,336
Liquidity position	3,750	3,487
Net debts ⁽ⁱ⁾	7,923	6,332
Carrying amount of total equity	10,267	10,261
Add: hotel revaluation surplus	10,732	10,976
Total equity adjusting for hotel revaluation surplus	20,999	21,237
Net gearing ratio (net debts to adjusted equity)	37.7%	29.8%

Note:

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

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.

During the year, the Group obtained a HK\$1,350 million 3-year syndicated loan to refinance its CNY1,000,000,000 5.875 per cent bond due on 4 March 2016 and for the general working capital requirements of the Group. The successful refinancing of the bond reduced the overall finance costs of the Group substantially.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group also increased the leverage ratio on its Singapore hotel to finance the acquisition of Alexandra View in Singapore. An amount of approximately SGD272 million was drawn against the Singapore hotel to finance the acquisition. This project is a joint venture between the Group and Gigantic Global Limited with 70% and 30% of the shareholding respectively.

The increase in net borrowing contributed to the higher net gearing ratio of 37.7%.

The carrying amount of the total bank loans and bonds in the Company's consolidated statement of financial position include an amount of approximately HK\$1,073 million (as at 31 March 2015: HK\$521 million) reflected as current liabilities even though such sum is not repayable within one year, as the banks and/or financial institutions have discretionary rights to demand immediate repayment.

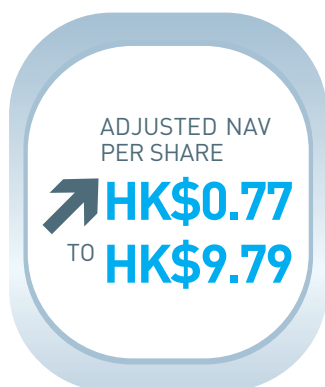
As at 31 March 2016, the undrawn banking facilities was approximately HK\$5.4 billion, of which approximately HK\$3.5 billion was for construction and/or development purposes while the remaining balance of approximately HK\$1.9 billion was for the Group's general corporate use. The banking facilities together with the sales proceeds from the Group's upcoming property development projects places the Group in a good financial position to fund not only its existing business and operations but also further expansion of its business.

In addition, a total of eight hotel assets with the Group were unencumbered, the capital value of which amounted to HK\$3.0 billion as at 31 March 2016. These assets can be used as collateral for further bank borrowings which can provide further liquidity for the Group, should this be necessary.

3. Net asset value per share

	As at 31 March	
	2016 HK\$ million	2015 HK\$ million
Equity attributable to shareholders	10,140	9,144
Add: Hotel revaluation surplus	10,732	8,119 ⁽ⁱ⁾
Total net asset value	20,872	17,263
No. of shares issued ("million")	2,132	1,914
Adjusted net asset value per share	HK\$9.79	HK\$9.02

(i) Adjusted for minority interest



Adjusting for revaluation surplus on hotel assets of approximately HK\$10,732 million as at 31 March 2016 (HK\$10,976 million as at 31 March 2015) and following completion of the privatisation of Dorsett, total net asset value of the Group reached approximately HK\$20,872 million. Adjusted net asset value per share for the Company as at 31 March 2016 was approximately HK\$9.79, representing an increase of 8.5% over the figure as at 31 March 2015.



In conjunction with Dorsett privatisation exercise, the Group undertook a valuation exercise for all of its assets (including the hotel assets), which showed that the unrecognized revaluation surplus of these assets (other than the hotel assets) was approximately HK\$3,027 million as at 31 May 2015. This amount is not included in the calculation of the net asset value above.

4. Capital expenditure

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

During FY2016, the Group's capital expenditure amounted to approximately HK\$328 million (2015: HK\$300 million) primarily attributable to construction works on Dorsett City London and Silka Tsuen Wan Hong Kong, and the renovation works on Cosmopolitan Hotel Hong Kong and Dorsett Regency Kuala Lumpur. The capital expenditures were funded through a combination of external borrowings and internal resources.

5. Capital commitments

	As at 31 March	
	2016 HK\$'000	2015 HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	318,805	259,477
Others	33,745	83,761
	352,550	343,238



Water's edge of the Swan River, Perth



Dorsett City, London



MANAGEMENT DISCUSSION AND ANALYSIS

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 Mainland China, Hong Kong, Singapore and Melbourne. For FY2016, the Group recorded a revaluation gain of approximately HK\$192 million from its investment properties, bringing the valuation of its investment properties to approximately HK\$3.3 billion as at 31 March 2016 (31 March 2015: HK\$3.2 billion).

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, which, coupled with the regionalisation approach allowing the Group to take advantage of the different property cycles in the different markets, 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 where the Group can see benefits from the growing affluence of the middle class.

Total cumulative presales value of the Group's residential properties under development amounted to approximately HK\$7.5 billion as at 31 March 2016. All developments under presale are expected to be completed and delivered within three 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 statement of profit or loss. The Group expects a significant cash flow when the projects are completed.



*West Side Place,
Melbourne*



Alpha Square, London



The Towers at Elizabeth Quay, Perth



The following shows a breakdown of the Group's total cumulative presales value of residential properties under development as at 31 March 2016.

Developments	Location	HK\$ million	Expected financial year of completion
Eivissa Crest	Hong Kong	629	FY2017
Aspen Crest	Hong Kong	882	FY2019
Manhattan at Upper West Side (Stage 4)	Melbourne	1,741	FY2017
The FIFTH	Melbourne	1,225	FY2018
The Towers at Elizabeth Quay	Perth	1,411	FY2019
King's Manor	Shanghai	1,260	FY2017
Royal Riverside	Guangzhou	53	FY2017/18
Dorsett Bukit Bintang	Kuala Lumpur	316	FY2017/18
Cumulative presales value		7,517	

During FY2016, the Group launched presales of four of its residential development projects, namely (i) Aspen Crest in Hong Kong, (ii) King's Manor (second phase) in Shanghai, (iii) Tower 2 Royal Riverside in Guangzhou, and (iv) The Towers at Elizabeth Quay in Perth. Total expected GDV and saleable floor area of these projects are approximately HK\$7.5 billion and 1.8 million sq. ft. respectively.

Following the year end, presales were launched for three of the Group's developments, namely Royal Crest II in Shanghai and Tower 1 and Tower 2 of West Side Place in Melbourne. Presales for two other projects in Hong Kong, namely Tan Kwai Tsuen and Sha Tau Kok, are expected to be launched in the remainder of the financial year ending 31 March 2017. It is expected that these five developments together will bring in an estimated GDV of more than HK\$8 billion and saleable floor area of approximately 1.5 million sq. ft..

In FY2016, the Group acquired two additional residential development sites, namely Shatin Heights in Hong Kong and Alexandra View in Singapore, both of which are currently under planning stage. As at 31 March 2016, 23 active residential property development projects were under various stages of development with total attributable saleable floor area of approximately 6.4 million sq. ft. across its geographical markets. Details of the pipeline are shown below.

CUMULATIVE
PRESALES A RECORD
HIGH AT
HK\$7.5
BILLION

MANAGEMENT DISCUSSION AND ANALYSIS

Developments	Attributable Saleable Floor Area ⁽ⁱ⁾ Sq. Ft.	Expected Attributable GDV ⁽ⁱⁱⁱ⁾ HK\$ million	Status/ Expected launch	Expected financial year of completion
Melbourne				
Manhattan at Upper West Side (Stage 4)	388,000	1,741	Launched	FY2017
The FIFTH West Side Place	284,000	1,225	Launched	FY2018
- Tower 1	585,000	3,076	FY2017	FY2020/21
- Tower 2	487,000	2,561	FY2017	FY2020/21
- Tower 3	400,000	2,103	Planning	Planning
- Tower 4	576,000	3,028	Planning	Planning
Brisbane				
Queen's Wharf ⁽ⁱⁱⁱ⁾ - Tower 4	259,000	1,428	Planning	Planning
- Tower 5	236,000	1,417	Planning	Planning
- Tower 6	211,000	1,270	Planning	Planning
Perth				
The Towers at Elizabeth Quay	320,000	2,733	Launched	FY2019
Shanghai				
King's Manor (remaining)	386,000	1,681	Launched	FY2017
Royal Crest II	259,000	1,380	FY2017	FY2017/18
Guangzhou				
Royal Riverside	728,000	2,136	Launched	FY2017/18
Hong Kong				
Eivissa Crest	36,000	767	Launched	FY2017
Aspen Crest	64,000	1,069	Launched	FY2019
Tan Kwai Tsuen	51,000	581	FY2017	FY2017/18
Sha Tau Kok	99,000	771	FY2017	FY2019
Tai Wai	33,000	399	Planning	Planning
Shatin Heights	70,000	1,200	Planning	Planning
Sham Shui Po	28,000	366	Planning	Planning
Kuala Lumpur				
Dorsett Bukit Bintang	215,000	825	Launched	FY2017/18
Singapore				
Alexandra View ^(iv)	290,000	2,840	FY2018	Planning
London				
Alpha Square	388,000	4,314	Planning obtained	Planning
Total	6,393,000	38,911		



Manhattan at Upper West Side (Stage 4)

Notes:

- (i) The figures represent approximate saleable residential floor area which may vary subject to finalisation of development plans.
- (ii) The amounts shown represent expected gross development value which may change subject to market conditions.
- (iii) The residential development consists of a total saleable floor area of approximately 1,400,000 sq. ft.. The Group has 50% interest in the residential development.
- (iv) The residential development consists of a total saleable floor area of approximately 410,000 sq. ft.. The Group has 70% interest in the residential development.

In addition to its development pipeline of approximately 6.4 million sq. ft., the Group has a land bank of approximately 4.8 million sq. ft. of floor area. The land bank comprises, inter alia, residential land in Shanghai and Guangzhou, and a joint venture project in Fong Lok Wai, Yuen Long, Hong Kong. With a total property development pipeline of approximately 11.2 million sq. ft., the Group's development is poised for continued growth in the coming years.

Australia

Manhattan at Upper West Side (Stage 4) consists of 641 apartments which were completely presold as at 31 March 2016. Its presale value was approximately HK\$1,741 million and the development is expected to be completed in the financial year ending 31 March 2017.

The FIFTH is located adjacent to the current Upper West Side development and provides 402 apartments. As at 31 March 2016, it was completely presold and its presale value reached approximately HK\$1,225 million. It is expected to be completed in the financial year ending 31 March 2018.

MANAGEMENT DISCUSSION AND ANALYSIS



West Side Place, Melbourne



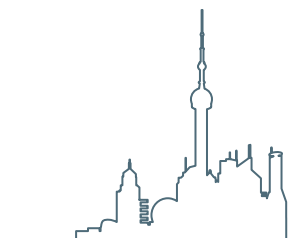
The Towers at Elizabeth Quay, Perth

West Side Place is a mixed-use residential development located next to the Upper West Side development. This development is expected to have a residential saleable floor area of approximately 2 million sq. ft. from four towers with approximately 3,000 apartments. Tower 1 and Tower 2 were recently launched for presales and received strong response. The two towers combined consist of approximately 1,400 apartments. A hotel which will be operated by Ritz Carlton with approximately 260 hotel rooms will be located at the top of the Tower 1. The expected GDV for the residential component for the two towers is approximately HK\$5.6 billion.

The Towers at Elizabeth Quay, Perth is a mixed-use development comprising residential apartments of approximately 320,000 sq. ft. in saleable floor area, a luxury Ritz-Carlton hotel with more than 200 rooms and some retail area. As at 31 March 2016, its presale value reached HK\$1,411 million, representing approximately 52% of the whole development. It is expected to be completed in the financial year ending 31 March 2019.

In November 2015, development agreements for an integrated resort and a residential development were signed with the State of Queensland, Australia for the delivery of the Queen's Wharf Project in Brisbane. The Group has a 50% interest in the residential development component which is now under the master planning stage. For further details, please refer to the section headed "Other Significant Events During FY2016" below.

In March 2016, the Group signed two Memoranda of Understanding ("MOU") with Chow Tai Fook Enterprises Limited ("CTF") and The Star Entertainment Group Limited ("The Star") for the development of (i) a 200-metre tower located on the ocean side of The Star's existing Jupiters Integrated Resort in Gold Coast which would house around 700 hotel rooms and apartments and (ii) another 200-metre hotel/apartment tower at The Star in Sydney featuring a Ritz Carlton hotel and an extension with connectivity to the existing property that would include further food and beverage outlets. This is a critical step for the Group's further expansion into Australia and is expected to enhance economies of scale of its operations there.



Royal Riverside, Guangzhou

Mainland China

The Group has been developing California Garden, a premier township in Shanghai over a number of years. The development comprises a diversified portfolio of residences including low rise apartments, high-rise apartments and town houses. Currently, two residential phases in California Garden are under various stages of construction, namely King's Manor and The Royal Crest II.

King's Manor consists of 479 apartments and 90 town houses with an expected GDV of approximately HK\$2,600 million. A portion of the development with a GDV of approximately HK\$920 million was completed during the last week of FY2016. The balance of the development is expected to be completed in FY2017. For the balance of approximately HK\$1,680 million, its presale value reached approximately HK\$1,260 million as at 31 March 2016, representing approximately 75% of the expected GDV of the balance.

Royal Crest II consists of 180 apartments and 42 town houses. The expected GDV is approximately HK\$1,380 million. Its presale launch took place shortly after the financial year ended 31 March 2016. The Royal Crest II is expected to be completed in stages in the financial years ending 31 March 2017 and 2018.

In Guangzhou, Royal Riverside is a 5-tower residential development producing approximately 607 apartments with a total saleable floor area of approximately 728,000 sq. ft.. Tower 2 was soft launched in February 2016 and its presale value as at 31 March 2016 was approximately HK\$53 million, representing approximately 21% of the GDV of that tower. The remaining towers are expected to be launched for presale in the financial year ending 31 March 2017. Total expected GDV is approximately HK\$2,136 million. The development is expected to be completed in the financial years ending 31 March 2017 and 2018.



Royal Crest II, Shanghai



California Garden, Shanghai

MANAGEMENT DISCUSSION AND ANALYSIS

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 the Urban Renewal Authority ("URA").

Currently, the Group has seven residential development projects in the pipeline in Hong Kong.

Eivissa Crest consists of 106 residential apartments with approximately 36,000 sq. ft. in saleable floor area. The presale value reached approximately HK\$629 million as at 31 March 2016, representing 82% of the total expected GDV. Completion took place after year end. The site was acquired and originally intended to be held for recurring income business. However, having considered the property market conditions, the Group decided to change the site to residential property development for sale. According to HKAS 40 "Investment properties", this development is treated as an investment property. Upon completion and when the titles of the development have been passed to buyers, the difference between the net disposal proceeds and the carrying amount of the asset will be presented as gains or losses on disposal of investment properties held for sale in the consolidated statement of profit or loss for the compliance of the relevant accounting standard.

Aspen Crest is a redevelopment project and consists of 234 apartments with approximately 64,000 sq. ft. in saleable floor area and approximately 16,000 sq. ft. of commercial component. As at 31 March 2016, its presales value reached approximately HK\$882 million, representing 83% of the total expected GDV. Its completion is expected to take place in the financial year ending 31 March 2019.

A residential development site at Tan Kwai Tsuen consisting of 24 town houses with approximately 51,000 sq. ft. in saleable floor area is expected to be launched for presale in the second half of the financial year ending 31 March 2017. Completion is expected to be in the financial years ending 31 March 2017 and 2018.

The Group's residential development site at Sha Tau Kok was acquired through a government tender. This development comprises 263 low-rise apartments with approximately 99,000 sq. ft. in saleable floor area. Its presale launch is expected in the second half of the financial year ending 31 March 2017 and completion is expected in the financial year ending 31 March 2019.



A residential development site at Tan Kwai Tsuen, Hong Kong



Aspen Crest, Hong Kong



Eivissa Crest, Hong Kong



Dorsett Bukit Bintang, Kuala Lumpur



A residential site at Sha Tau Kok, Hong Kong



A development site at Tai Wai, Hong Kong

A development site at Tai Wai, comprising 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, was also acquired by the Group through government tender. This project is under planning stage.

The Group also recently won through government tender a residential development site at Shatin Heights at a price of approximately HK\$245 million. The land acquisition cost was funded through the Group's internal resources and is wholly owned by the Group. The GFA is approximately 88,000 sq. ft. and the project is currently under planning stage.

In addition, a residential development site at Sham Shui Po was acquired through URA. This residential development will comprise 72 apartments (mainly 1-bedroom apartment) with approximately 28,000 sq. ft. in saleable floor area. This project is under planning stage.

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 2016, presales value reached approximately HK\$316 million, representing 38% of the total expected GDV. Completion is expected to take place in the financial years ending 31 March 2017 and 2018.

Singapore

In November 2015, the Group won a tender for a residential development site at Alexandra View, located next to Redhill MRT station in Singapore, at a tender price of approximately SGD377 million. The property development comprises a 99-year leasehold land parcel. Subject to finalising the development plan, the saleable floor area of the site is estimated at approximately 410,000 sq. ft., comprising residential development together with commercial component. This development is a joint venture in which the Group has a 70% shareholding.

MANAGEMENT DISCUSSION AND ANALYSIS



Alpha Square, London

United Kingdom

Alpha Square is a residential development site located in Marsh Wall, Canary Wharf, London. This mixed-use development consists of residential units totalling approximately 388,000 sq. ft. in saleable floor area, a hotel of approximately 230 rooms, retail component and other facilities. Planning approval was obtained in May 2016. The Group intends to continue to acquire and increase its land bank in the United Kingdom.

Momentum remains strong despite recent cooling measures implemented by authorities in different countries. During the year, the interest rate environment remained conducive to sales growth. The Group has a strong balance sheet to weather any unforeseen volatility and its regionalisation strategy helps to diversify the risks. The Group is cautiously optimistic about the upcoming challenges with good visibility for growth.



2. Hotel operations and management – Dorsett Hospitality International Limited

The key indicators of Dorsett's owned hotel operations for FY2016 are as follows:

	For the year ended 31 March	
	2016	2015
Hong Kong		
Occupancy rate	86.0%	92.7%
Average room rate (HK\$)	731	856
RevPAR (HK\$)	629	794
Revenue (HK\$'000)	650,496	793,781
Mainland China		
Occupancy rate	50.9%	47.4%
Average room rate (HK\$)	507	545
RevPAR (HK\$)	258	258
Revenue (HK\$'000)	197,935	196,968
Malaysia		
Occupancy rate	65.8%	64.7%
Average room rate (HK\$)	384	491
RevPAR (HK\$)	252	318
Revenue (HK\$'000)	215,547	264,399
Singapore		
Occupancy rate	82.0%	77.3%
Average room rate (HK\$)	1,091	1,188
RevPAR (HK\$)	894	918
Revenue (HK\$'000)	100,849	102,606
United Kingdom		
Occupancy rate	79.3%	61.1%
Average room rate (HK\$)	1,109	1,185
RevPAR (HK\$)	879	724
Revenue (HK\$'000)	119,778	74,451
Group Total		
Occupancy rate	72.7%	73.6%
Average room rate (HK\$)	666	762
RevPAR (HK\$)	484	561
Revenue (HK\$'000)	1,284,606	1,432,204

For FY2016, total revenue from hotel operations and management in Hong Kong decreased by 18.1% to approximately HK\$650 million. The average room rate ("ARR") in Hong Kong decreased by 14.6% to HK\$731, while the occupancy ("OCC") recorded a decline of 6.7 percentage points to 86.0%. The RevPAR was HK\$629, down by 20.8%, compared with the previous financial year. The RevPAR performance in Hong Kong was adversely affected by the decline in number of overnight visitors arrivals from Mainland China and the relative strength of the Hong Kong dollar which eroded the competitiveness of the Hong Kong tourism market in which the Group has a significant presence.

MANAGEMENT DISCUSSION AND ANALYSIS



Revenue from hotel operations and management in Mainland China increased 0.5% to approximately HK\$198 million for FY2016. The growth was largely driven by the improved performance of Dorsett Grand Chengdu and Lushan Resort. However, ARR declined by approximately 7.0% to HK\$507 due to the lower ARR of Lushan Resort and the overall impact of the depreciation of RMB. Excluding such currency impact, ARR in Mainland China declined 5.0% to RMB414. Overall OCC for the region came in at 50.9% compared to 47.4% of FY2015, due to improvement of OCC of Dorsett Grand Chengdu and Lushan Resort. As a result, RevPAR in Mainland China remained at HK\$258.

In Malaysia, revenue from hotel operations and management declined 18.5% to approximately HK\$216 million, largely attributable to the depreciation of Malaysian Ringgit against the Hong Kong dollar and lower revenue from food and beverage due to the austerity measures from the government in cutting down spending. ARR declined 21.8% to HK\$384, however excluding the currency impact, ARR declined 14.0% to MYR189. OCC was up 1.1 percentage points to 65.8% while RevPAR declined 12.7% to MYR124.

In Singapore, Dorsett Singapore recorded a revenue of approximately HK\$101 million for FY2016, representing a slight decline of 1.7% mainly as a result of the depreciation of the Singapore dollar against the Hong Kong dollar. RevPAR reached HK\$894, a decline of 2.6%, compared to the previous financial year, however, excluding the impact on currency, RevPAR was up 0.9% to SGD157.

In the United Kingdom, Dorsett Shepherds Bush London recorded significant improvement in performance for FY2016, reaching a revenue of approximately HK\$120 million, an increase of 60.9%, compared to the previous financial year. The RevPAR recorded an increase of 21.4% to HK\$879.

As at 31 March 2016, the Group 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. The Group had 12 hotels in the development pipeline, of which two are Ritz Carlton hotels, one each in Melbourne and Perth, and four world-class hotels in the integrated resort of Queen's Wharf, Brisbane in which the Group has a 25% interest, with the remaining expected to be operated by Dorsett. When all the hotels in the pipeline become operational, the Group will have 32 owned hotels operating more than 9,000 rooms.

In the next 12 months, it is anticipated that two new hotels will be opened, namely Silka Tsuen Wan in Hong Kong and Dorsett City in London. These two new hotels will add approximately 700 rooms to the Group's current operating portfolio.

In addition, as mentioned above, two MOUs were signed with CTF and The Star for the development of two hotel/apartment towers, one at The Star's existing Jupiters Integrated Resort in Gold Coast and the other at The Star in Sydney, in March 2016.



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 and generates a stable recurring income for the Group. This business sector has been achieving steady growth over the years, with the Group's portfolio under management growing into 354 car parks with approximately 71,000 car parking bays as at 31 March 2016, having added approximately 4,600 car parking bays during FY2016, including the acquisition of a car park with 473 car parking bays in New Zealand and another car park with 367 car parking bays in Brisbane, in which the Group has 25% interest. Of the Group's 354 car parks, 25 were self-owned car parks (20 in Australia, 3 in New Zealand and 2 in Kuala Lumpur) comprising approximately 7,000 car parking bays, with the remaining 64,000 car parking bays in Australia, New Zealand and Malaysia under management contracts entered into with third party car park owners, which include local governments, shopping malls, retailers, universities, airports, hotels, hospitals, government departments and commercial and office buildings.

With this division further expanding its operation to include property management services in Australia (mainly in Brisbane, Melbourne and Adelaide) and Johor Bahru, Malaysia, where the Group had 46 contracts in relation to facilities management services as at 31 March 2016, it is expected that the car park operations and facilities management business will continue its steady growth.





PERTH

— Elizabeth Quay —



CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

The corporate social responsibility strategy of the Group is based on our vision of creating value for our investors and shareholders, our employees, our customers, our environment, and our community. It is therefore in our best interest to operate under a set of corporate values that contribute to the sustainable development of the communities in which we operate. We will endeavor to achieve our strategic objectives while addressing our stakeholders' needs so that we can continue to have the business that is both successful and sustainable.





Our Investors/Shareholders



FY2016 Annual Results Briefing



FY2016 Annual Results Press Conference

During FY2016, the Group has established the Corporate Finance and Investor Relations Department in order to enhance corporate transparency and to facilitate the communications with our investors. Some of the initiatives have already been completed during FY2016.

The Group make uses of various communication channels including but not limited to conference calls, management meetings, site visits and investors conferences, press conferences, road shows, webcasts and seminars. In addition, the Group has also revamped its corporate website with a brand-new design, making it much easier for the general public to access to the Group’s information. The Group provides prompt update on its website, including financial reports, presentations, webcasts, announcements, press releases and newsletters. The new website received Bronze Award in the “2015 iNOVA Awards Competition”. Leveraging on the rising popularity of social media, the Group has also set up its own Wechat official account which enabled the general public to receive timely update of the Group by using their mobile phones. The Group’s Corporate Finance and Investor Relations Department is committed to building a long-term relationships through transparent, effective and proactive communications with our investors, analysts and other IR stakeholders.

During FY2016, the Group has won numerous international awards on company management, investor relations, corporate governance and corporate social responsibility, including Best Small Cap Companies 2015 awarded by Asiamoney, Grand Prix for Overall Investor Relations (small cap) awarded by IR Magazines and, Best IR Company (Small Cap) from Hong Kong Investor Relations Association, eight awards highlighted by “Top 4 Best Company in Asia for Corporate Governance” in Asiamoney Corporate Governance Poll 2015.



The Group’s Official Wechat



The Group’s website

CORPORATE SOCIAL RESPONSIBILITY

Our workplace and employee

Recruitment

The Group provides equal opportunities for all applicants for employment without regard to race, color, national origin, religion, gender, age, disability or any other biases prohibited by applicable law. It is its policy to select the best qualified person to meet with specific job requirements, giving appropriate consideration to factors such as education background, working experience, skills, personal traits and the potential to grow with our Group.

To attract the suitable talent, the Group focuses on four recruitment channels: promotion within the Group, promotion through colleagues' referral, recruitment via on-line channels (i.e. Company career portal and local job boards), and collaboration with educational institutes (i.e. secondary schools, vocational schools, universities).



Participation in Institute of Vocational Education Career Expo



Scholarships granted to students from Ju Ching Chu Secondary Schools in Tuen Mun, Yuen Long and Kwai Chung in Hong Kong



BBQ outing fostered closer relationship between colleagues and encouraged work-life balance



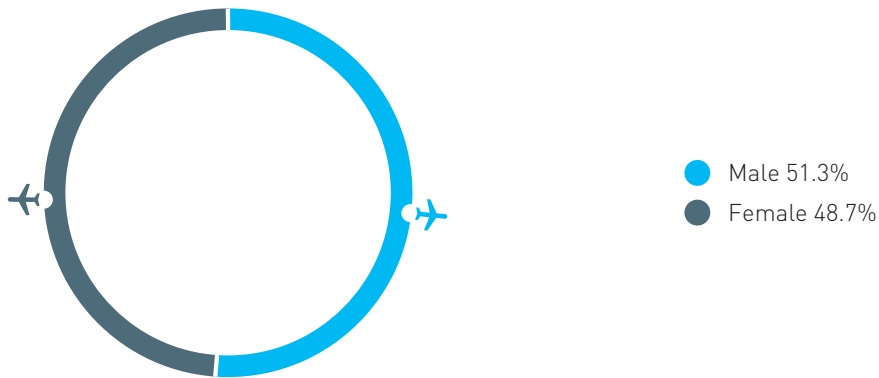
The Group organized the annual dinner to enhance a sense of belonging



As of 31 March 2016, the Group had a total of 3,400 employees. Its breakdown by gender, age group and location is as follows:

Headcount as at 31.3.2016

By Gender



By Age Group



By Location



CORPORATE SOCIAL RESPONSIBILITY

Training, Learning & Development

The Group always considers its employees the most important asset.

The Group encourages continuous learning and development, as well as a global career exposure. Sponsorship will be provided to colleagues who attend job related external training programs and academic programs. Additionally, depending on the nature of needs and operational requirements, familiarization programs, job rotation programs, taskforce teams and cross-exposure can be implemented in various countries to broaden the employees' exposure.



The Group organized self development programs and trainings by internal and external trainers



"Talent Development Roadmap" has been launched in early 2016. This roadmap outlines a range of programs across a wide spectrum available for employees with different needs at different levels. All employees are required to go through the essential programs, such as corporate vision, core values and new staff orientation. To enhance and improve our overall service quality, the Group has customer care related programs such as service recovery and telephone etiquette. For management level with management responsibilities, there are programs that cover supervisory skills, performance management, interviewing skills and train-the-trainer training. The Group has also leadership and management development programs and leadership coaching which aims to strengthen leadership competencies for its leaders.

Ensuring Safety and Efficiency of Construction

Safety always comes first. The Group places great emphasis on the health and safety of employees. The Group provides training to equip its staff with knowledge of the latest safety legislation and health safety issues related to construction work. For every project, the Group insists the main contractor to ensure that all new workers are required to attend a brief training before they could start working on-site. Security is ensured for every project. Anyone who is not associated with the construction work or not informed for entrance is not allowed to enter the construction sites.



Our Community

In FY 2016, the Group donated a total of approximately HK\$6.7 million to different communities worldwide. With the strong support from our volunteer team, the Group engaged with various organizations to address the communities' needs throughout the Year. Employees at different levels are heavily involved in volunteering their time and effort in carrying out sustainable projects that create value for different segments of our community. Some of the programs carried out during the year are shown below:

Dorsett Caring Fun – Sending Warmth and Care to The Elderly

Employees of Cosmopolitan Hotel, Dorsett Mongkok and Cosmo Hotel visited Kang Fook Elderly Home to spend quality time with the elderly on 30 June 2015.



Employees of Cosmopolitan Hotel, Dorsett Mongkok and Cosmo Hotel participated in voluntary services regularly



CORPORATE SOCIAL RESPONSIBILITY

Spirit of Giving to the Blind

The Moonwalkers from Cosmopolitan Hotel, Cosmo Hotel and Dorsett Mongkok participated in the meaningful ORBIS 2015 Moonwalker Walkathon on 7 Nov 2015 to raise fund for those in need. This annual fund-raising event devoted to eradicating preventable blindness to show genuine care to the community.

Orbis Walk for Sight 2016

In an effort to raise funds for blind people who live in unimaginably poor regions of the developing world, team members of Lan Kwai Fong Hotel @ Kau U Fong joined Orbis Walk for Sight 2016 at Tai Tam Country Park for a 6km walk to help raising fund for approximately 285 million visually impaired people worldwide.



Employees of Lan Kwai Fong Hotel @ Kau U Fong joined Orbis Walk for Sight 2016



Harvesting of Herbs Garden @ Dorsett Grand Labuan

A Little Effort Goes a Long Way @ Dorsett Grand Labuan

Dorsett Grand Labuan has embarked on water saving initiatives by constructing a water tank. The rain water tank is used to collect rain to water plants and clean gardening equipment.

Harvesting of Herbs Garden @ Dorsett Grand Labuan

Dorsett Grand Labuan's Herbs Garden cheered for its first crop in a Go Green initiative which was launched for a week during the financial year. After nurturing with love and care, their hard efforts finally paid off when 10 kg of spring onions were harvested and put to good use in the hotel kitchen. The team was excited with plans to expand the herbs garden with more herbs selection.



Our Environment

The Group dedicates to providing the best environment to customers and the community. It strives to minimize the environmental impact by reinforcing environmental awareness, energy saving and waste management. The Group also commits to play a part in environmental conservation and implementing eco-friendly practices in business operation.

West Side Place, Melbourne, Australia is targeting a 5 star Green Star (As Built) rating, which is deemed equivalent to Australian Excellence within the built environment. On the energy aspect, we carried out energy efficient air-conditioning strategy, which involves the inclusion of a central plant and is expected to have significant energy savings to all residents; energy efficient lighting and energy efficient double glazing to reduce heating energy consumption in winter. West Side Place will also use an embedded network, whereby the residents may purchase utilities (electricity, gas and water) at reduced rates from a single on-site retailer. On the water aspect, we have water efficient fixtures and fittings selected to minimize water consumption and also water efficient filtration for the pools. Besides, we have also developed a shutdown switches adjacent to the apartment entry door which allows the occupant to turn off all lighting and air-conditioning from a single point before they leave. To reduce the development's potable water demand, rainwater storage tanks provide recycled water for irrigation. We have also implemented share car facilities and encouraged the usage of electric vehicle ("EV"), which will be ready upon completion to enable residents to recharge their EVs on site.

Apart from West Side Place, both Star Ruby and Sevilla Crest projects were awarded "Hong Kong Awards for Environmental Excellence", proving that the standards of green building were achieved.



Hong Kong Awards for Environmental Excellence for Star Ruby and Sevilla Crest Projects



CORPORATE SOCIAL RESPONSIBILITY

In FY 2016, the Group's hotels have participated in the Earth Hour, a global environmental initiative in partnership with World Wildlife Fund ("WWF"), and joined millions of people around the world in turning off their lights for one hour. Dorsett Tsuen Wan, Dorsett Kwun Tong and Dorsett Putrajaya have been supporting the WWF's "Earth Hour" program. 40% of Dorsett Putrajaya's lights were changed to LED bulbs in support of the program. This long term effort is expected to be completed by end of 2016 and the entire hotel will be using only LED bulbs by then. Lan Kwai Fong Hotel@Kau U Fong has also changed all of the light bulbs in guest rooms and public area to LED lights since 2015. Besides, we have also participated in a range of programs to spread out the green message to not only our employees but also our guests.

In Malaysia, with the belief that a single grain of rice can tip the balance of the scale, the hotel aims to motivate a joint effort from fans, guests and colleagues to conserve energy. Daily contribution in this direction will eventually equate to a considerable amount of effort in sustaining the environment.



Hotels under the Group has pledged for the "Charter on External Lighting" in support of reducing the light nuisance and energy wastage.





Dorsett Kwun Tong supported “People’s Food Bank” – Food Donation & Volunteering at Kitchen to provide pre-packed food to cater to the emergent and short-term needs of deprived elderly, individuals and families.



Dorsett Kwun Tong supported “People’s Food Bank” – Food Donation & Volunteering at Kitchen



The Group has joined the recycling campaign of the Environmental Protection Department in Hong Kong by collecting plastic, glass and electrical appliances since September 2013. The Group continuously re-energize this campaign throughout the hotel by setting up collection points on different floors.

CORPORATE SOCIAL RESPONSIBILITY

Our Customers

Given the diversification of the Group's business, its frontline staff established long-term relationship with its different types of customers including potential buyers, residents, hotel guests and public in order to enhance customer satisfaction continuously.

	Property Division	Hotel Division	Car Park Operations and Facilities Management Division
Types of customer	<ul style="list-style-type: none"> - Residents - Potential buyers - Public 	<ul style="list-style-type: none"> - Hotel guests - Public 	<ul style="list-style-type: none"> - Car park users - Public
Focus	<ul style="list-style-type: none"> - Facility enhancement - Customer privacy - Customer satisfaction - Maintaining relationship - Improving building and service quality 	<ul style="list-style-type: none"> - Facility enhancement - Customer privacy - Customer satisfaction - Maintaining relationship - Improving service quality - Food safety 	<ul style="list-style-type: none"> - Facility enhancement - Customer privacy - Customer satisfaction - Maintaining relationship - Improving service quality



Upper West Side, Melbourne



Customer Privacy

The Group ensures transparency, clarity and reliability of the product and service information that we pass to our customers. In Hong Kong, in regard to properties sales, all marketing materials and sales arrangements, including sales brochures, price lists, payment terms, show flats, registers of transactions and advertisements, fully complied with the Residential Properties (First-hand Sales) Ordinance, which came into effect in April 2013. With the new clause of the Personal Data (Privacy) (Amendment) Ordinance coming into effect on 1 April 2013, the Group followed the revised ordinance strictly and will not use customer data in direct marketing or communication without getting prior consent from our customers.



In order to safeguard customer's privacy, only the authorized employee can login to the customer system with an individual password. In addition, only individuals with authorized passwords can browse the data inside the system.

Customer Satisfaction

The Group's staff value customers. Quick response to customers is always a key to maintain a long term relationship with them. As an integral part of the local communities, the Group maintains good relationships and communications with residents and potential buyers. In Mainland China, regular activities, art workshops, interest classes, festive events and environmental activities were organized to build a vibrant and harmonious community for residents. In Hong Kong, customers are encouraged to evaluate our service. In order to maintain a cordial customer relationship with the owners, sales and marketing team of the Group have participated in the owners committee meeting and established a telephone hotline to tackle any complaints or specific requests immediately.



Regular activities, art workshops, interest classes for residents and customers organized at King's Manor



Mother's Day event at King's Manor

CORPORATE SOCIAL RESPONSIBILITY

The Group strive to earn hotel guests' trust by providing professional service and enhancing hotel guests' experience. In FY 2016, the Group completed the renovation of Cosmopolitan Hotel and Dorsett Kuala Lumpur to offer a better and modern experience to its hotel guests.



Cosmopolitan Hotel upgraded after renovation



Dorsett Kuala Lumpur upgraded after renovation





Dorsett Hospitality International's Official WeChat

The Group believes that healthy growth and success comes from the feedback of its hotel guests. Its hotels use different channels to measure customers' satisfaction and to obtain feedback from all possible platforms.

Other communication channels include the placement of Guest Questionnaires in all hotel guestrooms and the presence of Duty Managers to assist guests' queries.

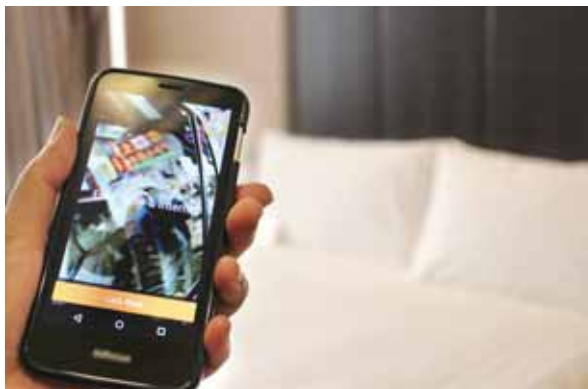
Maintain Long-Term Relationship

The Group endeavors to maintain long-term relationship with its customers by engaging them with different initiatives. The Group closely connects with its hotel guests in different monthly offers and programs. Cosmopolitan Hotel, Hong Kong offered special monthly complimentary all-day refreshment and Internet to hotel guests. Lan Kwai Fong Hotel @Kau U Fong offered complimentary happy hours and Hong Kong free art show tickets to indulge its hotel guests in the flourishing art scene. Dorsett Singapore offered the use of user-friendly handy smartphone and Dorsett Grand Subang and Dorsett hotels in Malaysia implemented flexible check-in time for hotel guests.



Dorsett Hospitality International's Facebook and feedback to our guests in Facebook

The Group will thrive only in communities that are healthy, strong and resilient, whether from the perspectives of investors, workplace and employee, customers, community or the environment. As the Group moves forward, our ultimate goal is to sustain our business growth in the context of economic, environmental and social development on a long-term basis.



Dorsett Singapore offered the use of handy smartphone



Lan Kwai Fong Hotel @Kau U Fong offered Hong Kong free art show hotel guests





AWARDS AND ACCOLADES

FAR EAST CONSORTIUM INTERNATIONAL LIMITED

- AsiaMoney
Top 3 Best for Shareholder's Rights & Equitable Treatment across Asia (excluding Japan)
- AsiaMoney
Top 3 Best Overall for Corporate Governance in Hong Kong
- AsiaMoney
Top 3 Best for Disclosure & Transparency in Hong Kong
- AsiaMoney
Top 2 Best for Shareholder's Rights & Equitable Treatment in Hong Kong
- AsiaMoney
Top 3 Best for Responsibilities of Management and Board of Directors in Hong Kong
- AsiaMoney
Top 3 Best for Corporate Social Responsibility in Hong Kong
- AsiaMoney
Top 3 Best Investor Relations in Hong Kong
- AsiaMoney
Best Small Cap Companies 2015
- 2015 China Financial Market Listed Companies Award
- Best listed Company
"Asia's Best Managed companies 2016 Poll"
- Finance Asia Top 8 Best at Corporate Social Responsibility
- Hong Kong Investor Relations Association
Best IR Company (Small Cap)
- IR Magazine
Grand Prix for Overall Investor Relations (Small cap)-Greater China
- IR Magazine
Best in Sector: Real Estate-Greater China
- IR Magazine
Top 4 in Best Investor Relations Officer-Greater China (Small & midcap)-Ms. Venus Zhao
- Institutional Investor Magazine
Top 3 Best Investor Relations Professional-Ms. Venus Zhao
- iNova
Corporate Website Bronze Award 2015



Mr. Chris Hoong, Managing Director accepted the "2015 Asianmoney Best Manged Company Awards in Hong Kong, Small Cap" in Hong Kong



Ms. Venus Zhao (Left), Head of Investors Relations and Corporate Finance and Mr. Boswell Cheung (Right), Chief Financial Officer attended the Awards Ceremony of "IR Magazine Awards - Greater China 2015".



King's Manor

- 1 "2015 Most Potential Value Property" by NetEase163.com
- 2 "China Quality Property – Gold Award" by SouFun

- 3 "Golden Prize for Best-selling Real Estates Shanghai, 2015" by Fang.com
- 4 "Best Property Developer in Shanghai 2015" by Fang.com
- 5 The most anticipated 2016 Property Awards by Tencent Dashen Network / Tencent

Far East Royal Riverside

- 6 "Best Boutique Property 2015" by Leju.com
- 7 "Best Quality Property in Guangzhou 2015" by Fang.com
- 8 Far East Royal Riverside – China Real Estate & Home Design Championship 2015 – Best Quality Property



Dorsett Hospitality International

- Most Progressing Hotel Groups of China by China Hotel Starlight Awards



- Best ASEAN Marketing & Promotional Campaign award accorded at the 29th ASEANTA Annual Award event
- Caring Company Award
- Best Regional Hotel Chain award by Travel Weekly Asia



HONG KONG

Dorsett Kwun Tong, Hong Kong

- Caring Company Award and listed as a Barrier Free Company for 3rd consecutive year
- Listed as 'Barrier-Free' Company by Hong Kong Social Service Council
- 2015 Certificate of Excellent by Hotels.com

Dorsett Mongkok, Hong Kong

- Caring Company Award for the 3rd consecutive year
- 2015 Certificate of Excellence by TripAdvisor



- Certificate of Merit in Customer Service category accorded at the 2015 Hong Kong Award of Industries
- Achieved EarthCheck Certified Silver status

Dorsett Tsuen Wan, Hong Kong

- Best New Hotel in Hong Kong awarded at the 8th Annual TTG China Travel Award
- MICE Hotel of the Year 2015 by GHM (Guangdong, Hong Kong, Macao) Hotel General Managers Society
- 2015 Gold Circle Award by Agoda.com

Lan Kwai Fong Hotel @ Kau U Fong

- Outstanding Enterprises – Boutique Hotel by Hong Kong Business 2015 High Flyers Awards



- Luxury Classic Hotel Of The Year – Hong Kong by Luxury Travel Guide 2015
- Best of Expedia +VIP Access Hotels 2015



Silka Seaview, Hong Kong

- Winner of 'Hotelbeds Top producer – 3 Star Category year 2014/2015

Cosmo Hotel Hong Kong

- Caring Company Award for the 4th consecutive year
- Best of Expedia +VIP Access Hotels 2015
- EarthCheck Certified Silver status

Cosmopolitan Hotel Hong Kong

- Caring Company Award for the 5th consecutive year
- Best of Expedia +VIP Access Hotels 2015
- 2015 Outstanding Hotel Partner Award by Booking.com

CHINA

Dorsett Grand Chengdu

- 2014 Award of Excellence and The Award for Best Cooperation 2015 by Booking.com



- Best MICE Hotel accorded by Travel & Leisure Magazine, China
- 2015 Guest Review Award by Booking.com

Dorsett Shanghai

- 2015 China Most Preferred Hotel and 2015 China's Best Excellence Service Hotel Award accorded at the 12th Golden China Awards Public Selection Committee and the Beautiful China Hotel Leader Summit
- 2015 TripAdvisor Travellers Love Bravo by TripAdvisor
- 2015 Excellent Guest Review Score by Hotels.com
- 2015 Guest Outstanding Achievements by Booking.com



- 2015 Gold Circle Award by Agoda
- 2015 Top Content and Best Reviews by Expedia
- 2015 Powering Global Travel Award by GTA (Gulliver Travel Agency)
- 2015 Top One Hundred Resort Award by Lvmama Leisure Travel

Dorsett Wuhan

- The Best Collaboration Award of 2015 by CTrip.com

SINGAPORE

Dorsett Singapore

- 2015 Certificate of Excellence by TripAdvisor
- Luxury Contemporary Hotel Of The Year award by Luxury Travel Guide
- Awarded the Chinese Preferred Hotel status by CTrip.com



- International Hotel Business – Rising Star 2015 by CTrip.com

UNITED KINGDOM

Dorsett Shepherds Bush, London

- 2015 Certificate of Excellence by TripAdvisor
- Hammersmith Society’s prestigious Environment Awards
- Schueco Design Excellence Award in the refurbishment category
- Best New Hotel in London 2015 by Fodor’s Travel
- Hospitality Business of The Year accorded at the West London Business Awards



- Best New Business Award accorded at the Brilliant Business Awards



- Architect’s Journal Retrofit Hotel Award
- 2015 Top Overseas Hotel award by Travel & Leisure, China

MALAYSIA

Dorsett Grand Labuan

- 2015 Certificate of Excellence by TripAdvisor

Dorsett Grand Subang

- 2015 Employer of Choice by Malaysian Institute of Management (MIHRM) and the Bronze award in the Human Resources Specialist category



Dorsett Kuala Lumpur

- Best Supportive Hotel 2015 by Booking.com
- Bravo Badge 2015 - For rated “Excellent” by 240 travellers by TripAdvisor
- 2015 Gold Circle Award by Agoda.com
- Top Hotel Partners Award 2015 by GTA (Gulliver’s Travel Associates) at Partnering Global Travel Awards 2015
- Top 10 Best Centrally Located Hotel In Kuala Lumpur by Hotels.com
- Top 10 Best Family Hotel In Kuala Lumpur by Hotels.com

Silka Cheras, Kuala Lumpur

- Excellence Award 2015 (Outstanding Support category) by Booking.com





UNITED KINGDOM

UNITED KINGDOM

- Property development
- Hotel operations



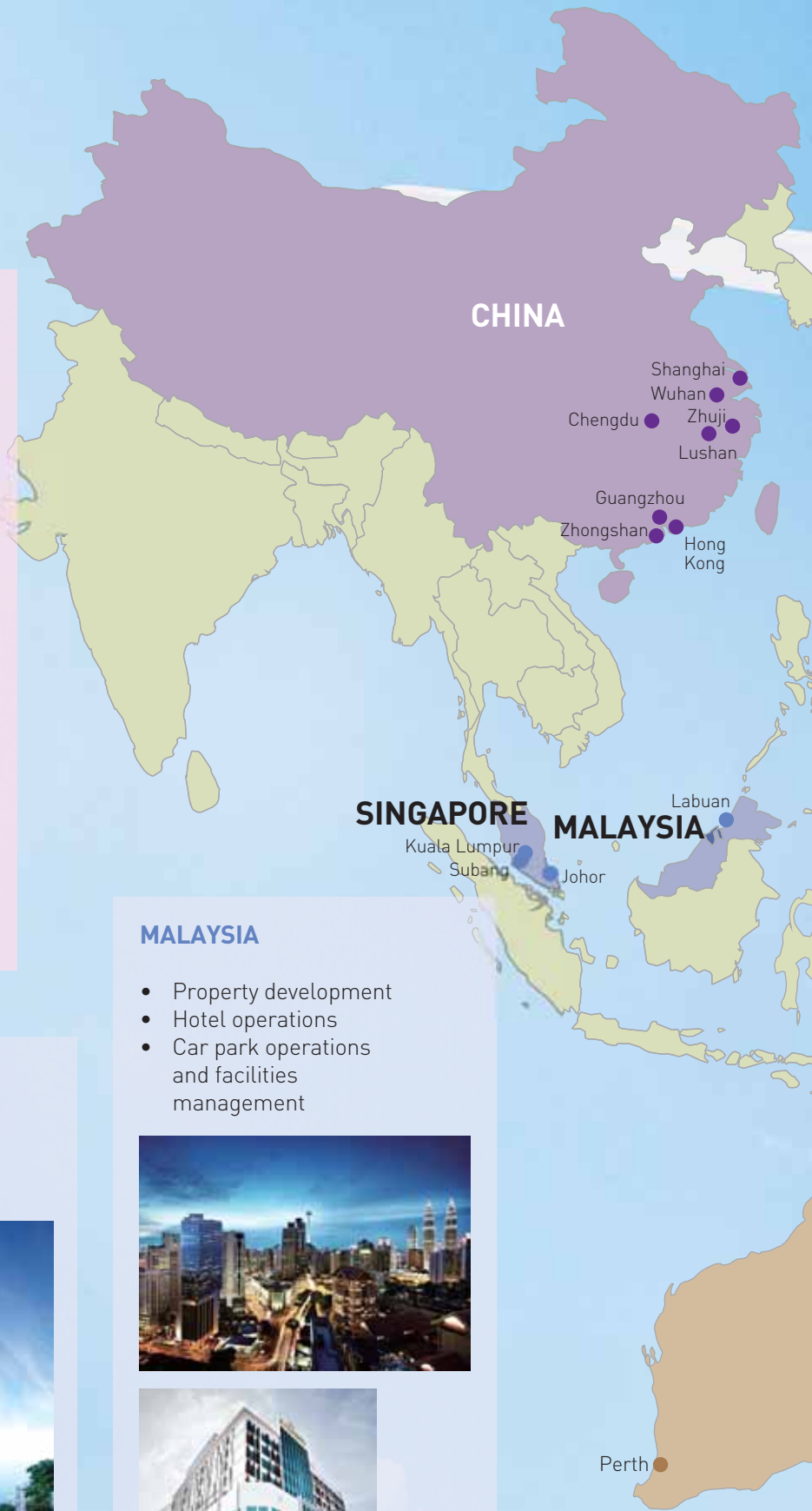
SINGAPORE

- Property development
- Investment properties
- Hotel operations



MALAYSIA

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



DIVERSIFIED AND BALANCED PORTFOLIO OF BUSINESSES

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

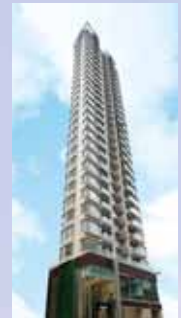
CHINA

- Property development
- Investment properties
- Hotel operations



HONG KONG

- Property development
- Investment properties
- Hotel operations



Australia & New Zealand

- Property development
- Investment properties
- Hotel operations
- Car park operations and facilities management
- Gaming and Entertainment



AUSTRALIA

Brisbane

Melbourne

NEW ZEALAND

BUSINESS

Projects under presale Melbourne, Australia



Project Name: Upper West Side — Manhattan

Development Address: 639 Lonsdale Street

District: Central Business District, Melbourne

Property Website: www.upperwestside.com.au

Expected Saleable Floor Area (Sq. ft.): 388,000

Expected Net Lettable Floor Area (Sq. ft.): 4,900

Site Area (Sq. ft.): 22,281

Number of Residential Units: 641

Launch Time: FY 2014

Expected Completion: FY 2017

Building Floors (Include Retail area): 53

Geographical Environment:

The Property represents Stage 4 of a four-stage development known as "Upper West Side", a major mixed use development that will comprise four stages across the overall site which commences at Spencer Street and has additional main frontages to Lonsdale and Little Bourke Street.

Planning and Design:

- Apartments feature timber flooring, natural colours, designer stainless steel appliances, stone bench tops and plush carpentry throughout.
- Recessed balconies stretch the living space outdoors, making the most of the spectacular city views. And each apartment is connected to the world with state of the art fibre optic cabling.

Project Highlight:

Manhattan will feature 8 levels of car parking as well as indoor pool, sauna and gym located on level 5.

In addition to this all residents will have access to the other joint facilities within the Upper West Side development, including almost 1 acre of podium rooftop gardens, BBQ facilities, rock climbing facilities, 25m indoor lap pool and sauna, gymnasium, bocce fields, function room and study areas.



THE
FIFTH
RENOVATION

Project Name: The FIFTH

Development Address: 605 Lonsdale Street

District: Central Business District, Melbourne

Property Website: www.thefifthapartments.com.au

Expected Saleable Floor Area (Sq. ft.): 284,000

Expected Net Lettable Floor Area (Sq. ft.): 3,200

Site Area (Sq. ft.): 11,840

Number of Residential Units: 402

Launch Time: FY 2015

Expected Completion: FY 2018

Building Floors (Include Retail area): 50

Geographical Environment:

The site fronts onto Lonsdale Street, between King and Swanston Street in Melbourne. It shares Rose Lane with Tower 3 at Upper West Side. Short walking distance to the site is Spencer Street train station and the Spencer Street shopping precinct. The Property is located within the Melbourne CBD Grid.

Planning and Design:

- It is equipped with its very own ground-floor retail precinct, 8 levels of car parking and bicycle storage and offers stunning North, East and South views of Melbourne CBD.
- The FIFTH's residential recreational space located on level 5 is designed by Jack Merlo, a renowned award winning landscape designer and architect, and features a pool, spa, gym, garden lounge, landscaped rooftop garden, residents' lounge with fireplace and communal dining space with teppanyaki grills, offering the best of indoor and outdoor urban design in the heart of the CBD.

Project Highlight:

The Property is approved for a 50-storey building that includes ground level retail shops and residential uses. The proposed development will consist of 402 apartments, and includes a structured parking garage which will consist of 206 car park spaces.

BUSINESS



Project Name: West Side Place

Development Address: 250 Spencer Street

District: Central Business District, Melbourne

Property Website: www.westsideplace.com.au

Expected Saleable Floor Area (Sq. ft.) *: 2,000,000

Expected Net Lettable Floor Area (Sq. ft.): 83,800 (104 retail shops)

Number of Hotel Rooms: 263 rooms (Ritz – Carlton hotel)

Site area (Sq. ft.): 126,585

Number of Residential Units: More than 2,500

Launch Time: FY 2017 (Tower 1 and 2)

Expected Completion: FY 2020/2021 (Tower 1 and 2)

Building Floors (Include Retail Area):

Tower 1 – 81 Floors

Tower 2 – 64 Floors

Tower 3-4: Under Planning

Geographical Environment:

- The Property represents a two-stage development known as “West Side Place”, a major mixed-use development that will comprise four towers across the overall site.
- The site has main frontages with Spencer Street and Lonsdale Street and Little Lonsdale Street and Merriman Lane.
- The site is in immediate proximity to Spencer Street Train Station and Spencer Street Shopping Town.
- The Property is located within the Melbourne CBD Grid.

Planning and Design:

Featuring four high-rise towers with over 2,500 apartments as well as Ritz-Carlton hotel at the top levels of Tower 1, West Side Place, Melbourne embodies a new height of luxury inner city living. Proudly positioned at the corner of Lonsdale and Spencer streets, the highest tower at West Side Place will soar an impressive 81 storeys with the prestigious Ritz-Carlton hotel occupying the top levels, becoming Australia’s tallest hotel.

Project Highlight:

- West Side Place is a mixed-use residential development located next to the Upper West Side development. It consists of saleable floor area in relation to residential apartments of approximately 2 million sq. ft., a Ritz-Carlton hotel with approximately 263 hotel rooms, retail components and other facility components.
- Tower 1 and 2 with approximately 1,400 apartments were already under presold in June 2016.

* Approximate saleable residential floor areas may vary subject to finalization of development plans.

Perth, Australia



THE
TOWERS
At Elizabeth Quay

Project Name: The Towers at Elizabeth Quay

Development Address:

Elizabeth Quay Perth, edge of CBD and Swan River along the Eastern Promenade on Barrack Street, Perth

District: Central Business District, Perth

Property Website: www.thetowersperth.com.au

Expected Saleable Floor Area (Sq. ft.): 320,000

Expected Net Lettable Floor Area (Sq. ft.): 18,000

Site Area (Sq. ft.): 73,443

Number of Residential Units: 379

Number of Hotel Rooms: 204 rooms (Ritz – Carlton hotel)

Launch Time: FY 2016

Expected Completion: FY 2019

Geographical Environment:

- The Towers with the proposed Ritz-Carlton hotel as its centrepiece at Elizabeth Quay is located on the water's edge of the Swan River, and nestled between the Perth CBD, beautiful and expansive Kings Park, and Stirling Gardens.
- Elizabeth Quay reconnects the CBD with the Swan River, across 10 hectares of riverfront land between Barrack and William Streets. It will play host to a diverse mix of event and recreational spaces, transforming into a vibrant, contemporary, city destination.

- This exclusive riverside precinct will feature a stunning inlet connected by 1.5km of continuous boardwalks and promenades. At its entrance, a bridge will lead to an island complete with winding paths, kiosk and children's playground with spectacular views back to the city.
- As a mixed-use residential and commercial hub, it will feature restaurants, shops, cafes and entertainment venues, providing a new opportunity for Western Australians to celebrate by the water.
- The residential apartments will be a focal point and offer direct access to the inlet's promenade and island, providing sweeping views over the Swan River and the 400 hectares Kings Park and Botanic Gardens.

Planning and Design:

- The Towers at Elizabeth Quay will feature premium 1, 2 and 3 bedroom residential apartments, pool, gym and prestigious ground-floor retail precinct. The two towers contain 379 apartments, 104 apartments in tower 1, incorporating the Ritz-Carlton Hotel also, and 275 apartments in tower 2.

Project Highlight:

- Designed as part of a planned mixed-use complex that is intended to include the proposed "The Ritz-Carlton, Perth", which is part of the iconic luxury chain of Ritz-Carlton hotels and resorts.
- With sweeping views over the Swan River, 400-hectare Kings Park and Botanical Gardens, The hotel is expected to be the centrepiece of the new Elizabeth Quay development and is part of the most significant and ambitious waterfront project ever undertaken in Western Australia.

BUSINESS

Guangzhou, China



Project Name: Royal Riverside

Development Address:

Yuhao 1 Jie, Li Wan District, Guangzhou

District: Guangzhou Li Wan District

Property Website: www.royalriverside.com

Expected Saleable Floor Area (Sq. ft.): 728,000

Site Area (Sq. ft.): 262,200

Number of Residential Units: 607

Launch Time: FY 2017

Expected Completion: FY 2017/2018

Building Floors (Include Retail Area):

Five Residential Buildings
Tower 1 (御豪軒): 20 Floors, Tower 2 (御龍軒): 15 Floors,
Tower 3 (御景軒): 15 Floors, Tower 4 (御翠軒): 31 Floors,
Tower 5 (御雅軒): 32 Floors

Geographical Environment:

Centrally located in the heart of city, Royal Riverside is just a 15-minutes' walk away from the Metro station and offers convenient access to Huadiwan station or Fangcun metro station. It takes only 15 minutes' drive to New International Airport.

Planning and Design:

Situated at Riverside with a large community of nature and an endless inspiration for design concept. In addition to the practicability of architecture, Royal Riverside is designed in Modern Art Deco style. The designer focuses on the detail of the decoration with European artistic taste and well-proportioned sculpture features and water features, rendering nearby artistic atmosphere.

Project Highlight:

- Royal Riverside is fully equipped with a private club house, outdoor swimming pool, leisure foot massage pool, underwater loungers etc. The club house features a world-class resort that offers cinemas, bars and elderly center.
- Along the house, there are 100,000 square meters of standardized public kindergartens, opened boutique community, commercial streets, private clubs, barbecue area and markets, and so lead the "LOHAS" community-based living.

- #### Awards:
- Leju 2015 Premium Property
 - SouFun – 2015 Guangzhou High Quality Property
 - 2015 China Properties and Houses Champion Chart – The Best Quality Property with an Attitude



Shanghai, China



Project Name: King's Manor

Development Address:

Lane 655, Jin Qiu Road (California Garden District 16)

District: Baoshan District, Shanghai

Expected Saleable Floor Area (Sq. ft.): 712,000

Site Area (Sq. ft.): 593,958

Number of Residential Units: 479 apartments + 90 townhouses

Launch Time: FY 2015/2016

Expected Completion: FY 2016/2017

Building Floors (Include Retail Area):

Four 16-storey residential buildings with elevators, four-building townhouse and two-building townhouse

Planning and Design:

The project adopted a new classical architectural style to shape the overall image with enriched composition and elegant appearance, in which, the architectural aesthetics is manifested by its finest design, not only emphasizing the use of landscape from the perspective of architecture, but also enabling architecture itself to become a focus of the environment. Consequently, architecture has become one of the characters inside and outside the landscape.

Geographical Environment:

Located at the junction of Jinqiu Road and Nanchen Road, King's Manor is just within walking distance to exit of Nanchen Station of Metro Line 7.

The planned Metro Line 15 will also intersect there, which will pass through the prosperous CBDs in Shanghai including Jingan, Xihui and Pudong, taking you to every part of the city. In addition, with the rapid connection of the Central Elevated Expressway, the People's Square, Shanghai Hongqiao hub, Shanghai South Station, and the Pudong Airport are easily accessible. All popular districts in Shanghai are just a 10-45 minutes' drive away.

Project Highlight:

Shopping	: California Gardens, Carrefour, Dongfang Guomao Xincheng, Hongji Leisure and Cultural Square
Other auxiliary facilities	: Dachang Hospital, Huashan Hospital, Lianhua, Hualian Supermarket, banking outlets
Sports and recreation	: Dachang Sports Park (under construction), Gucun Park

Awards:

- 2015 Utmost Potential Properties Award – Netease
- 2015 Chinese High Quality Property Golden Award – SouFun
- 2016 Most Anticipated Property by SH.QQ.com/House.qq.com
- 2015 Shanghai SouFun Bestselling Property Golden Award
- SouFun 2015 Shanghai High Quality Properties Enterprise

BUSINESS



Project Name: Royal Crest II

Development Address: Lane 699, Jin Qiu Road (California Garden District 17B)

District: Baoshan District, Shanghai

Expected Saleable Floor Area (Sq. ft.): 259,000

Site Area (Sq. ft.): 300,660

Number of Residential Units: 180 apartments + 42 townhouses

Launch Time: FY 2017

Expected Completion: FY 2018

Building Floors (Include Retail Area):

Six-storey residential buildings with elevators
Six townhouses (3 storeys aboveground and 1 storey underground)

Geographical Environment:

Royal Crest II offers both accessible transportation and everyday livelihood, with Metro Line 7 Shanghai University Station located at the entrance of the community, and the planned Metro Line 15 will also intersect the most prosperous CBDs in Shanghai including Jing'an, Xuhui, Pudong. In addition, the Central Elevated Expressway connects the People's Square, Shanghai Hongqiao Hub, Shanghai South Railway Station, and Pudong International Airport. It takes only 10-45 minutes' drive from the project to the Shanghai popular areas.

Project Highlight:

Shopping	: California Garden Xintiand, Carrefour, Xinhugang Seafood hotel, Hongji Leisure and Cultural Square
Auxiliary facilities	: Dachang Hospital, Huashan Hospital, Lianhua, Hualian Supermarket, banking outlets
Sports and recreation	: Dachang Sports Park (under construction), Gucun Park

Hong Kong, China



Project Name: Aspen Crest

Development Address: 68 Wan Fung Street

District: Wong Tai Sin, Kowloon, Hong Kong

Property Website: www.aspencrest.com.hk

Expected Saleable Floor Area (Sq. ft.): 64,000

Expected Net Lettable Area (Sq.ft.): 12,000

Site Area: 10,646

Number of Residential Units: 234

Launch Time: FY 2016

Expected Completion: FY 2019

Building Floors (Include Retail Area): 29

Geographical Environment:

Aspen Crest completely dominates the core transport arteries of Kowloon East. It connects the three main roads of Kowloon district, namely Lung Cheung Road, Kwun Tong Road and Kwun Tong Bypass, and two main railways, namely Kwun Tong line and the Shatin to Central Link (SCL) which is under construction, as well as the completion of Kai Tak Cruise Terminal nearby, and provides long and short haul routes to the Pearl River Delta region in the PRC and cities worldwide.

Planning and Design:

The podium of Aspen Crest is mainly designed on the basis of modern New York construction characteristics. Having an entrance of approximately 5-meter height, and colored in warm beige and bronze, creates the atmosphere of magnificent and glorious. The construction is characterized by significant lines and geometrical symmetry, accompanied by the rare stones and glass curtain walls with unprecedented scale, which has exhibited the classic styles of skyscrapers.

Project Highlight:

The private club "Club Aspen" of Aspen Crest is equipped with diversified and premium auxiliaries. The indoor space has gardens, including VIP rooms, outdoor barbecue zone, gym room, kids playground and outdoor garden as well as a 6-star outdoor resort-styled pool, with an area of over 4,000 sq. ft.. Residents are able to enjoy the luxurious quality lifestyle here around the clock.

BUSINESS



Project Name: Eivissa Crest

Development Address: 100 Hill Road, Pok Fu Lam

District: Sheung Wan and Western District, Hong Kong

Property Website: www.eivissacrest.com

Expected Saleable Floor Area (Sq. ft.): 36,000

Site Area (Sq. ft.): 5,763

Number of Residential Units: 106

Launch Time: FY 2014

Expected Completion: FY 2017

Building Floors (Include Retail Area): 33

Geographical Environment:

Eivissa Crest is in the general vicinity of the Hong Kong University Station on the MTR West Island Line as the core of Hong Kong Island Western District with high accessibility. Eivissa Crest is close to the Western Corridor and the Western Harbour Cross Tunnel, connecting many major high-speed trunk to Island East, Kowloon and the New Territories. The nearby of Eivissa Crest is famous Soho and Lan Kwai Fong, lined with countless meters of starred restaurants with the surrounding a blend of cultural and arts venues, adjacent to The Fringe Club, Hollywood Road gallery district, and NoHo and PoHo areas.

Planning and Design:

An elegant design by adopting the vertical overlapping. Glass curtain walls and premium building materials are in concert with the diligent and exquisite design.

Project Highlight:

- Eivissa Crest features Club Eivissa — facilities include an outdoor pool, a barbecue area, and multi-purpose rooms



Kuala Lumpur, Malaysia



Project Name: Dorsett Bukit Bintang

Development address: Jalan Imbi

District: Bukit Bintang, Kuala Lumpur

Property Website: www.dorsettresidencesbb.com

Expected Saleable Floor Area (Sq. ft.): 215,000

Site Area (Sq. ft.): 17,696

Number of Residential Units: 252

Launch Time: FY 2015

Expected Completion: FY 2017/2018

Building Floors (Include Retail area): 30

Geographical Environment:

- Located in the Golden Triangle, the busiest district in Kuala Lumpur, the project brings sophisticated shopping close to you. The mix of international luxury brands and entertainment will definitely uplift your spirit.
- Surroundings: Tun Razak Exchange – A 70 acre international hub for economic and financial activities with estimate gross development of MYR 26 billion. (Planned for completion by 2019)
- 3 minutes walk to Pavillion, JW Marriot, Westin, Starhill, Riz Carlton, Fahrenheit Bintang Walk

Planning and Design:

- A construction of a thirty-storey serviced apartment rooms building, one level of basement motorcycle park, eleven storeys of car park podium with car lift, one storey of mezzanine floor, ground floor cum lobby area and services level below roof top is known as Dorsett Residences, Bukit Bintang.

Project Highlight:

- Comprehensive facilities
 - Infinity swimming pool
 - Pool and sun deck
 - Jacuzzi
 - Sauna room
 - Gym room

BUSINESS

Strong Pipeline for Sustainable Growth

	Projects under presale as at 31 March 2016	Location	Cumulative presales (HK\$ M)
1	Eivissa Crest ⁽³⁾	Hong Kong	629
2	Aspen Crest	Hong Kong	882
3	UWS stage 4 – Manhattan	Melbourne	1,741
4	The FIFTH	Melbourne	1,225
5	The Towers at Elizabeth Quay	Perth	1,411
6	Dorsett Bukit Bintang	Kuala Lumpur	316
7	King's Manor (remaining)	Shanghai	1,260
8a	Royal Riverside (Tower 2)	Guangzhou	53
Total presales value			7,517

Other active development pipeline

	Active Projects	Location	Expected presale Launch Time ⁽¹⁾
8b	Royal Riverside (Tower 1, 3-5)	Guangzhou	FY2017
9	Royal Crest II	Shanghai	FY2017
10	Tan Kwai Tsuen	Hong Kong	FY2017
11	Sha Tau Kok	Hong Kong	FY2017
12	Tai Wai	Hong Kong	FY2018
13	Sham Shui Po	Hong Kong	FY2018
14	Shatin Heights	Hong Kong	FY2018
15	West Side Place	Tower 1	FY2017
16		Tower 2	FY2017
17		Tower 3	Planning
18		Tower 4	Planning
19	Alpha Square	London	Planning
20	Queen's Wharf ⁽⁴⁾ (residential)	Tower 4	FY2018
21		Tower 5	Planning
22		Tower 6	Planning
23	Alexandra View ⁽⁵⁾	Singapore	FY2018
Sub total (pipeline)			
Total (presales+ pipeline)			

(1) Approximate saleable residential floor areas and expected gross development value may vary subject to finalization of development plans

(2) Expected completion and launch time may vary which subject to construction program and relevant authority permits obtained

(3) This development is treated as an investment property. Upon completion and when the titles of the development have been passed to buyers, the difference between the net disposal proceeds and the carrying amount of the asset will be presented as gains or losses on disposal of investment properties held for sale in the consolidated statement of profit or loss for the compliance of that relevant accounting standard

(4) The Group has 50% interest in the development

(5) The Group has 70% interest in the development



Expected attributable SFA ⁽¹⁾ (sq. ft.)	Expected attributable GDV ⁽¹⁾ (HK\$ M)	Expected completion ⁽²⁾	Cumulative presale as % of GDV %
36,000	767	FY2017	82%
64,000	1,069	FY2019	83%
388,000	1,741	FY2017	100%
284,000	1,225	FY2018	100%
320,000	2,733	FY2019	52%
215,000	825	FY2017/18	38%
386,000	1,681	FY2017	75%
86,000	255	FY2017/18	21%
1,779,000	10,296		73%

Expected attributable SFA ⁽¹⁾ (sq. ft.)	Expected attributable GDV ⁽¹⁾ (HK\$ M)	Expected completion ⁽²⁾
642,000	1,881	FY2017/18
259,000	1,380	FY2017/18
51,000	581	FY2017/18
99,000	771	FY2019
33,000	399	Planning
28,000	366	Planning
70,000	1,200	Planning
585,000	3,076	FY2020/21
487,000	2,561	FY2020/21
400,000	2,103	Planning
576,000	3,028	Planning
388,000	4,314	Planning
259,000	1,428	Planning
236,000	1,417	Planning
211,000	1,270	Planning
290,000	2,840	Planning
4,614,000	28,615	
6,393,000	38,911	

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 March 2016.

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 2016 are set out in notes 47, 20 and 21 to the consolidated financial statements, respectively.

BUSINESS REVIEW

The Group's revenue is derived primarily from business activities conducted in Hong Kong, PRC, Australia, Malaysia, Singapore and UK. An analysis of the Group's performance for the Year by operating segment is set out in note 7 to the consolidated financial statements.

A fair review of the Group's business, including the important events affecting the Group that have occurred since the end of the financial year and the likely future developments and an analysis of the Group's performance using financial key performance indicators, is set out in the "Management Discussion and Analysis", "Chairman and Chief Executive Officer's Statement" and "Managing Director's Report" of this Annual Report. Principal risks and uncertainties facing the Group were set out in the "Chairman and Chief Executive Officer's Statement" and "Managing Director's Report". Details about the Group's financial risk management are set out in note 6 to the consolidated financial statements.

During the Year, there was no incidence of non-compliance with the relevant laws and regulations that have a significant impact on the Group's business.

The Group is committed to support sustainability of the environment and endeavours to comply with laws and regulations regarding environmental protection and to adopt measurement to achieve efficient use of resources, energy saving and waste reduction. Details of the environmental practices are set out in the "Corporate Social Responsibility".

The Group is committed to establishing a close and caring relationship with our employees, customers and suppliers and enhancing cooperation with our business partners. Details of the relationships with its key stakeholders are set out in the "Corporate Social Responsibility".



RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 102.

The Board has recommended the payment of a final dividend for the year ended 31 March 2016 of HK13 cents (2015: HK13 cents) per ordinary share (the "Proposed Final Dividend"). The Proposed Final Dividend will be paid to the Shareholders whose names appear on the Company's Register of Members on 6 September 2016. The Proposed Final Dividend will be paid in the form of a scrip dividend with Shareholders being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to (i) Shareholders' approval of the Proposed Final Dividend at the 2016 AGM"; and (ii) the Stock Exchange granting listing of and permission to deal in the new shares to be allotted thereunder. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company on the Stock Exchange for the 5 trading days prior to and including 6 September 2016. Full details of the Scrip Dividend Scheme will be set out in a circular which is expected to be sent to the Shareholders together with a form of election on or around 13 September 2016. Dividend warrants and/or new share certificates will be posted on or around 14 October 2016.

CLOSURE OF REGISTER OF MEMBERS

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

(a) For determining the entitlement to attend and vote at the 2016 AGM

The 2016 AGM is scheduled to be held on Friday, 26 August 2016. For determining the entitlement to attend and vote at the 2016 AGM, the Register of Members of the Company will be closed from Wednesday, 24 August 2016, to Friday, 26 August 2016, 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 2016 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 Tuesday, 23 August 2016.

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

The Proposed Final Dividend is subject to the approval of Shareholders at the 2016 AGM. For determining the entitlement of the Proposed Final Dividend, the Register of Members of the Company will also be closed from Friday, 2 September 2016, to Tuesday, 6 September 2016, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Proposed Final Dividend, 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 Thursday, 1 September 2016.

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 2016, amounted to approximately HK\$286,181,000 (2015: HK\$647,952,000), representing the retained profits.

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at 31 March 2016. The increase in fair value of investment properties, which has been credited directly to consolidated statement of profit or loss, amounted to HK\$191,612,000.

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\$392,375,000 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 to the consolidated financial statements.

MAJOR PROPERTIES

Details of the major properties of the Group at 31 March 2016 are set out on pages 196 to 217.

SHARE CAPITAL

Details of movements during the Year in the share capital of the Company are set out in note 34 to the consolidated financial statements.



PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

During the Year, the Company, through its subsidiary, Singford Holdings Limited, repurchased a total of 29,581,000 Shares on the Stock Exchange and details of which are as follows:

Month of repurchase	Number of Shares repurchased	Price per Share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
December 2015	17,581,000	2.95	2.61	49,015,450
January 2016	12,000,000	2.93	2.58	32,711,630

Save as disclosed above, neither the Company nor any of its Subsidiaries has purchased, sold or redeemed any of the Company's listed Shares during the Year.

The purchase were made for the benefit of the Shareholders with a view to enhancing the net asset value per Share and earnings per Share of the Group.

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws, every director of the Company and its Subsidiaries shall be entitled to be indemnified by the relevant company against all costs, fees, losses, expenses and liabilities incurred by him or her in the course of his or her duties or in relation thereto pursuant to their respective articles of associations. Such provisions were in force during the course of the Year and remained in force as at the date of this report.

DIRECTORS

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

Executive Directors

Tan Sri Dato' David CHIU (Chairman and Chief Executive Officer)

Mr. Chris Cheong Thard HOONG

Mr. Dennis CHIU

Mr. Craig Grenfell WILLIAMS

Non-executive Director

Mr. Denny Chi Hing CHAN (re-designated from an Executive Director with effect from 1 January 2016)

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, Tan Sri Dato' David CHIU, Mr. Dennis CHIU and Mr. Peter Man Kong WONG shall retire at the 2016 AGM and are eligible to offer themselves for re-election in the 2016 AGM.

DIRECTORS' REPORT

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the Year.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the 2016 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Continuing Connected Transactions", no transaction, arrangement or contract of significance to which the Company or any of its Subsidiaries was a party and in which a Director nor a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year and up to the date of this report, none of the Directors (not being the Independent Non-executive Directors) 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.



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 Sdn Bhd ("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.

For details, please refer to the announcement of the Company dated 26 November 2013.

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

- (i) in the ordinary and usual course of business of the Company and its Subsidiaries;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreements governing them on the terms that are fair and reasonable and in the interests of the Shareholders as a whole.

DIRECTORS' REPORT

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 (Revised) "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 HKICPA. 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 42 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 2016, 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	15,961,698	0.75%
	Interest of spouse	585,322 ⁽ⁱ⁾	0.03%
	Interest of controlled corporations	976,655,041 ⁽ⁱ⁾	45.82%
Chris Cheong Thard HOONG	Beneficial owner	6,530,017	0.31%
	Joint interest	424,075 ⁽ⁱⁱ⁾	0.02%
Denny Chi Hing CHAN	Beneficial owner	2,010,843	0.09%
Dennis CHIU	Beneficial owner	3,460	0.00%
	Interest of controlled corporations	5,654,742 ⁽ⁱⁱⁱ⁾	0.27%

Notes:

(i) 976,640,592 shares were held by Sumptuous Assets Limited and 14,449 shares were held by Modest Secretarial Services Limited, companies controlled by Tan Sri Dato' David CHIU and 585,322 shares were held by Ms. Nancy NG, spouse of Tan Sri Dato' David CHIU.

(ii) 424,075 shares were held by Mr. Chris Cheong Thard HOONG jointly with his wife.

(iii) 1,761,168 shares were held by Chiu Capital N V Limited, a company controlled by Mr. Dennis CHIU, and 3,893,574 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 2016.



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	5,000,000	0.23%
Denny Chi Hing CHAN	Beneficial owner	3,500,000	0.16%

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

* The percentage represents the number of underlying shares interested divided by the Company's issued shares as at 31 March 2016.

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*
Craig Grenfell WILLIAMS	Care Park	Beneficiary of a discretionary trust	825 ⁽ⁱ⁾	8.25%

Note:

(i) 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 Care Park's issued shares as at 31 March 2016.

B.2 Debentures of Dorsett

As at 31 March 2016, Tan Sri Dato' David CHIU was deemed to have an interest in the 6.0% CNY Bonds 2018 issued by the Dorsett in the principal amount of CNY90,030,000 of which CNY83,030,000 was held by Singford Holdings Limited, a wholly owned Subsidiary in which Tan Sri Dato' David CHIU owned approximately 46.6% interest in the issued share capital of the Company and CNY7,000,000 was held by his spouse, Ms. Nancy NG.

Save as disclosed above, none of the Directors 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 2016.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into by the Company are disclosed under the section headed "Share Option Schemes" below and in note 44 to the consolidated financial statements.

DIRECTORS' REPORT

SHARE OPTION SCHEMES

(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 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 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 31.03.2016	Exercise period*
			Outstanding at 01.04.2015	Granted during the year	Exercised during the year	Lapsed/cancelled during the year		
Directors								
Chris Cheong Thard HOONG	08.05.2009	1.500	1,550,000	-	(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	
			8,400,000	-	(3,400,000)	-	5,000,000	
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	
Other employees in aggregate								
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	-	(450,000)	-	675,000	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	
		8,450,000	-	(450,000)	-	8,000,000		
Total			20,350,000	-	(3,850,000)	-	16,500,000	

* 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 7.36% 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 44 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 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 31.03.2016	Exercise period*
			Outstanding at 01.04.2015	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)	-	11.10.2012-10.10.2015
			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
			1,818,182	-	-	(1,818,182)	-	
Wai Keung LAI	11.10.2010	2.20	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
			1,272,728	-	-	(1,272,728)	-	
Chris Cheong Thard HOONG	11.10.2010	2.20	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
			2,269,091	-	-	(2,269,091)	-	
Denny Chi Hing CHAN (Resigned on 1 January 2016)	11.10.2010	2.20	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
			2,836,364	-	-	(2,836,364)	-	
Other employees in aggregate	11.10.2010	2.20	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
			6,218,180	-	-	(6,218,180)	-	
Total			14,414,545	-	-	(14,414,545)	-	

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

The share options under Dorsett Share Option Scheme, save for those lapsed on 10 October 2015 in accordance with the Dorsett Share Option Scheme, were cancelled upon acceptance of the offer under Rule 13 of The Code on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission during the Year made by or on behalf of Willow Bliss Limited, a wholly-owned Subsidiary, to the holders of Dorsett Share Option Scheme at a nominal value of HK\$0.01 for each share option under Dorsett Share Option Scheme.

DIRECTORS' REPORT

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 March 2016, 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 Company's issued share capital*
Sumptuous Assets Limited	Beneficial owner	976,640,592 ⁽ⁱ⁾ (long position)	45.81%
Deacon Te Ken CHIU	Beneficial owner	13,022,647 (long position)	0.61%
	Interest of controlled corporations	140,942,693 ⁽ⁱⁱ⁾ (long position)	6.61%
	Interest of spouse	1,624,301 ⁽ⁱⁱⁱ⁾ (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 under Mr. Deacon Te Ken CHIU's estate and 1,624,301 shares were held by Mrs. Ching Lan JU CHIU, spouse of Mr. Deacon Te Ken CHIU. Mr. Deacon Te Ken CHIU passed away on 17 March 2015 and his interests in the ordinary shares of the Company forms part of his estate.

* The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 31 March 2016.

Save as disclosed above, as at 31 March 2016, 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\$6,697,000.

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 2016, the number of employees of the Group was approximately 3,400.

The emoluments of the Directors 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 44 to the consolidated financial statements.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 91 to 100.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2016.

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.

DIRECTORS' REPORT

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

The Company and certain of its Subsidiaries, as guarantors, and City Sight Limited ("City Sight"), its Subsidiary, as borrower, entered into a facility agreement (the "Facility Agreement") with a group of banks, as lenders, on 22 February 2016 and an unsecured term loan facility in the aggregate amount of HK\$1,350 million was granted to City Sight. The final maturity date is 36 months from the date of the Facility Agreement.

Pursuant to the Facility Agreement, the following specific performance covenants were imposed on the Controlling Shareholder:

- (a) Sumptuous Assets Limited shall own, directly or indirectly, at least 40% of the beneficial interest in the Company, carrying at least 40% of the voting right; and
- (b) Chiu Family (as defined in the Facility Agreement) shall own, directly or indirectly, more than 51% of the beneficial interest in Sumptuous Assets Limited, carrying more than 51% of the voting right, free from any security.

During the Year, the above specific performance covenants under the Facility Agreement have been complied with. For details, please refer to the announcement of the Company dated 22 February 2016.

AUDITOR

A resolution will be submitted to the 2016 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

David CHIU

Chairman and Chief Executive Officer

23 June 2016



CORPORATE GOVERNANCE REPORT

The Board presents this Corporate Governance Report in the Company's annual report for the year ended 31 March 2016.

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 2016, 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, four are Executive Directors, one Non-executive Director, 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.

There was a change in the composition of the Board during the Year. Mr. Denny Chi Hing CHAN has been redesignated from an Executive Director to a Non-executive Director with effect from 1 January 2016.

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 2016, 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.

CORPORATE GOVERNANCE REPORT

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, except Mr. Denny Chi Hing CHAN (Non-executive Director) is engaged for a term of 2 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. Dennis CHIU (Executive Director) and Mr. Peter Man Kong WONG (Independent Non-executive Director) shall retire by rotation at the 2016 AGM. Both of the above retiring Directors, being eligible, will offer themselves for re-election at the 2016 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, Tan Sri Dato' David CHIU, the Chairman of the Company, voluntarily retires from his office and offers himself for re-election at the 2016 AGM notwithstanding that he is not required to do so by clause 115(B) of the Articles.

The Board recommended the re-appointment of the above three retiring Directors standing for re-election at the 2016 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 2016, 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. Dennis CHIU, Mr. Craig Grenfell WILLIAMS, Mr. Denny Chi Hing CHAN, 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.

CORPORATE GOVERNANCE REPORT

A.6.2 Directors' Attendance Records

The attendance records of each Director at the Board and Board committee meetings and the general meetings of the Company held during the year ended 31 March 2016 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	6/6	N/A	4/4	2/2	1/1
Mr. Chris Cheong Thard HOONG	6/6	N/A	N/A	N/A	1/1
Mr. Dennis CHIU	6/6	N/A	N/A	N/A	0/1
Mr. Craig Grenfell WILLIAMS	6/6	N/A	N/A	N/A	0/1
Mr. Denny Chi Hing CHAN	6/6	N/A	N/A	N/A	1/1
Mr. Kwok Wai CHAN	6/6	2/2	4/4	2/2	1/1
Mr. Peter Man Kong WONG	5/6	2/2	4/4	2/2	0/1
Mr. Kwong Siu LAM	6/6	2/2	N/A	2/2	1/1

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

A.7 Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions in the Company. Following specific enquiry made by the Company, all the Directors have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 March 2016.

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 2016, 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 5 members, namely, Tan Sri Dato' David CHIU, Mr. Chris Cheong Thard HOONG, 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, risk management and internal control procedures. It also acts as an important link between the Board and the Company's auditor in matters within the terms of reference of the Audit Committee.

During the year ended 31 March 2016, 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 2015, the related accounting principles and practices adopted by the Company and the relevant audit findings;

CORPORATE GOVERNANCE REPORT

- Review and discussion of the interim financial statements and interim results for the six months ended 30 September 2015 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 2016 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 2016, the Remuneration Committee has reviewed the remuneration packages of the Executive Directors and senior management and made recommendation to the Board. The Remuneration Committee also made recommendation on the remuneration package of Mr. Denny Chi Hing CHAN upon his re-designation as a Non-executive Director.

The attendance records of each Committee member at the Remuneration Committee meetings held during the year ended 31 March 2016 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 2016 falls within the band from HK\$1,000,000 to HK\$2,000,000.

Details of the remuneration of each of the Directors for the year ended 31 March 2016 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 and to make relevant recommendation to the Board; and to assess the independence of Independent Non-executive Directors.

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

The Company also 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 2016, 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 2015 annual general meeting of the Company;
- Assessment of the independence of all the Independent Non-executive Directors; and
- Recommendation on the re-designation of Mr. Denny Chi Hing CHAN as a Non-executive Director.

The attendance records of each Committee member at the Nomination Committee meetings held during the year ended 31 March 2016 are set out in section A.6.2 above.

CORPORATE GOVERNANCE REPORT

C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 March 2016.

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

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

D. 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 2016, 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 2016, Mr. Tak Shing CHOI, the Company Secretary, has taken no less than 15 hours of relevant professional training.



F. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company, Deloitte Touche Tohmatsu, about its reporting responsibilities for the Company's financial statements for the year ended 31 March 2016 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 2016 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 2016	10,108,000
Non-audit services	
– professional fee in connection with the review of interim account, privatisation of Dorsett and tax advisory services	2,634,000
TOTAL:	12,742,000

G. COMMUNICATION WITH SHAREHOLDERS

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

H. SHAREHOLDERS' RIGHTS

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

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

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

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

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



INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

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 102 to 195, which comprise the consolidated statement of financial position as at 31 March 2016, 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 2016, 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
23 June 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2016

	NOTES	2016 HK\$'000	2015 HK\$'000
Revenue	8	3,995,090	5,109,780
Cost of sales and services		(1,989,973)	(2,884,377)
Depreciation and amortisation of hotel and car park assets		(298,784)	(278,985)
Gross profit		1,706,333	1,946,418
Other income		23,259	38,794
Other gains and losses	9	181,416	299,119
Administrative expenses			
– Hotel operations and management		(375,716)	(402,857)
– Others		(222,492)	(239,140)
Pre-operating expenses			
– Hotel operations and management		(1,204)	(14,080)
Selling and marketing expenses		(105,385)	(92,661)
Share of results of associates		4,546	16,746
Share of results of joint ventures		(3,114)	57
Finance costs	10	(228,334)	(224,042)
Profit before tax		979,309	1,328,354
Income tax expense	11	(221,347)	(330,406)
Profit for the year	12	757,962	997,948
Attributable to:			
Shareholders of the Company		734,427	956,539
Non-controlling interests		23,535	41,409
		757,962	997,948
Earnings per share	13		
Basic (HK cents)		37	51
Diluted (HK cents)		36	51



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	2016 HK\$'000	2015 HK\$'000
Profit for the year	757,962	997,948
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	(187,559)	(446,089)
Revaluation increase on available-for-sale investments	-	7
Fair value adjustment on cross currency swap contracts designated as cash flow hedge	(32,575)	(117,029)
Reclassification to profit or loss on disposal of available-for-sale investments	-	235
Reclassification from hedging reserve to profit or loss	43,732	-
Other comprehensive expense for the year	(176,402)	(562,876)
Total comprehensive income for the year	581,560	435,072
Total comprehensive income attributable to:		
Shareholders of the Company	589,988	481,724
Non-controlling interests	(8,428)	(46,652)
	581,560	435,072

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	NOTES	2016 HK\$'000	2015 HK\$'000
Non-current Assets			
Investment properties	16	3,304,213	3,154,315
Property, plant and equipment	17	7,720,482	7,491,993
Prepaid lease payments	18	522,412	541,476
Goodwill	19	68,400	68,400
Interests in associates	20	342,407	326,510
Interests in joint ventures	21(a)	41,052	40,708
Investment securities	22	692	692
Deposits for acquisition of property, plant and equipment		124,756	130,385
Amounts due from associates	43	70,734	70,734
Amount due from a joint venture	43	26,467	27,248
Amount due from an investee company	43	119,995	119,995
Other receivables	23	80,426	25,319
Pledged deposits	24	2,494	2,564
Deferred tax assets	33	35,512	30,537
		12,460,042	12,030,876
Current Assets			
Properties for sale	25		
Completed properties		583,706	200,730
Properties for/under development		8,056,484	5,251,611
Other inventories		9,414	8,936
Prepaid lease payments	18	15,181	15,519
Debtors, deposits and prepayments	26	527,404	392,903
Deposits receivable from stakeholders	27	586,880	417,096
Other receivables	23	12,605	121,985
Amounts due from joint ventures	43	50,018	–
Amount due from an associate	43	22,328	–
Tax recoverable		62,611	14,461
Investment securities	22	1,218,063	1,150,244
Derivative financial instruments	30	–	2,058
Pledged deposits	24	24,607	272,982
Restricted bank deposits	24	161,621	51,158
Deposit in a financial institution	24	11,331	11,303
Bank balances and cash	24	2,358,326	2,273,734
		13,700,579	10,184,720



	NOTES	2016 HK\$'000	2015 HK\$'000
Current Liabilities			
Creditors and accruals	28	828,763	737,344
Customers' deposits received		2,460,113	575,482
Obligations under finance leases	29	3,468	4,038
Amount due to a related company	43	17,856	45,785
Amounts due to associates	43	8,836	10,009
Amounts due to shareholders of non-wholly owned subsidiaries	43	27,799	28,286
Bonds	32	–	1,250,000
Derivative financial instruments	30	8,904	31,542
Tax payable		182,621	333,053
Bank borrowings	31	2,932,693	3,087,051
		6,471,053	6,102,590
Net Current Assets			
		7,229,526	4,082,130
Total Assets less Current Liabilities			
		19,689,568	16,113,006
Non-current Liabilities			
Bank borrowings	31	7,863,277	4,467,939
Obligations under finance leases	29	4,845	4,622
Amount due to a shareholder of a non-wholly owned subsidiary	43	246,778	–
Bonds	32	868,283	1,005,274
Derivative financial instruments	30	76,680	58,939
Deferred tax liabilities	33	362,450	315,303
		9,422,313	5,852,077
Net Assets			
		10,267,255	10,260,929
Capital and Reserves			
Share capital	34	213,171	191,374
Share premium		3,730,625	2,982,364
Reserves		6,196,336	5,969,912
Equity attributable to shareholders of the Company		10,140,132	9,143,650
Non-controlling interests	35	127,123	1,117,279
Total Equity			
		10,267,255	10,260,929

The consolidated financial statements on pages 102 to 195 were approved and authorised for issue by the Board of Directors on 23 June 2016 and are signed on its behalf by:

DAVID CHIU
DIRECTOR

CHRIS CHEONG THARD HOONG
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Attributable to equity holders of the Company										Non-controlling		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	interests HK\$'000	
At 1 April 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
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	-	-	-	-	-	-	-	-	[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



	Attributable to equity holders of the Company												
	Share capital HK\$'000	Share premium HK\$'000	Capital	Assets	Investment	Exchange reserve HK\$'000	Share	Hedging reserve HK\$'000	Other reserve HK\$'000	Retained	Total HK\$'000	Non-	Total HK\$'000
			redemption	revaluation	revaluation		options			profits		controlling	
			reserve	reserve	reserve		reserve			interests			
Profit for the year	-	-	-	-	-	-	-	-	734,427	734,427	23,535	757,962	
Exchange differences arising on translation of foreign operations	-	-	-	-	(157,300)	-	-	-	-	(157,300)	(30,259)	(187,559)	
Fair value adjustment on cross currency swap contracts designated as cash flow hedge	-	-	-	-	-	-	(30,871)	-	-	(30,871)	(1,704)	(32,575)	
Reclassification from hedging reserve to profit or loss	-	-	-	-	-	-	43,732	-	-	43,732	-	43,732	
Other comprehensive (expense) income for the year	-	-	-	-	(157,300)	-	12,861	-	-	(144,439)	(31,963)	(176,402)	
Total comprehensive income for the year	-	-	-	-	(157,300)	-	12,861	-	734,427	589,988	(8,428)	581,560	
Shares issued in lieu of cash dividend	8,993	246,063	-	-	-	-	-	-	-	255,056	-	255,056	
Shares issued upon exercise of share options	385	5,863	-	-	-	-	-	-	-	6,248	-	6,248	
Repurchase of shares	(2,958)	(78,774)	2,958	-	-	-	-	-	(2,958)	(81,732)	-	(81,732)	
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	-	2,591	-	-	2,591	(8,871)	(6,280)	
Dividends recognised as distribution (note 14)	-	-	-	-	-	-	-	-	(333,728)	(333,728)	-	(333,728)	
Acquisition of remaining interests in Dorsett (Note 36)	15,377	575,109	-	2,434	-	(36,647)	-	(21,782)	(422,293)	445,861	558,059	(960,576)	(402,517)
Additional non-controlling interest arising on partial disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	6,365	6,365	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(18,646)	(18,646)	
At 31 March 2016	213,171	3,730,625	28,458	16,242	-	(287,068)	27,313	(95,167)	1,059,180	5,447,378	10,140,132	127,123	10,267,255

Other reserve mainly comprise (a) credit balance of HK\$1,038,709,000 recognised in respect of the group reorganisation in 1991, representing the excess of the value of the net assets of the subsidiaries acquired and the nominal value of the shares issued by the Company for the acquisition; (b) credit balance of HK\$440,192,000 recognised in the year ended 31 March 2010 in respect of the gain on decrease in interest in a non-wholly owned listed subsidiary, Dorsett Hospitality International Limited ("Dorsett"); (c) a debit balance of HK\$3,097,000 recognised in the year ended 31 March 2013 in respect of the excess of the consideration paid over the net assets attributable to the additional interest in an indirect subsidiary, Care Park Group Pty Limited, acquired; (d) a credit balance of HK\$6,415,000 recognised in the year ended 31 March 2014 in respect of the excess of the net assets attributable to the additional interest in an indirect subsidiary, Dorsett, acquired over the consideration; (e) a debit balance of HK\$746,000 recognised in the year ended 31 March 2015 in respect of the excess of consideration paid over the net assets attributable to the additional interest in an indirect subsidiary, Dorsett, acquired; (f) credit balance of HK\$23,568,000 representing the difference between the Group's interest in the net assets acquired from shareholders of non-wholly owned subsidiaries and the consideration paid for the acquisition of remaining interests in Dorsett and the transfer of the net amount of HK\$445,861,000 previously recognised for Dorsett in other reserve, to retained profits arising from the acquisition.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	2016 HK\$'000	2015 HK\$'000
Operating activities		
Profit before tax	979,309	1,328,354
Adjustments for:		
Share of results of joint ventures	3,114	(57)
Share of results of associates	(4,546)	(16,746)
Reversal on impairment loss recognised on interest in a joint venture	(11,061)	(9,570)
Depreciation and amortisation	316,179	294,213
Dividend from listed and unlisted investments	(287)	(4,874)
Interest income	(5,853)	(6,100)
Finance costs	228,334	224,042
Change in fair value of investment properties	(191,612)	(271,841)
Gain arising on transfer of completed properties for sale to investment properties	(735)	(88,023)
Amortisation of issue expenses on convertible bonds	-	522
Loss on disposal of available-for-sale investments	-	235
Change in fair value of financial assets at fair value through profit or loss	54,832	10,401
Change in fair value of derivative financial instruments	(9,833)	7,903
Recognition of share-based payment expenses	(6,280)	4,910
(Gain) loss on disposal of property, plant and equipment	(160)	48
Impairment loss recognised on trade debtors	1,432	634
Operating cash flows before movements in working capital	1,352,833	1,474,051
(Increase) decrease in properties for sale	(3,157,830)	64,599
(Increase) decrease in other inventories	(478)	960
Decrease in other receivables	55,160	533,259
Increase in debtors, deposits and prepayments	(308,066)	(168,569)
Increase in financial assets at fair value through profit or loss	(122,764)	(141,255)
Increase (decrease) in derivative financial instruments	16,609	(915)
Increase (decrease) in creditors and accruals	104,755	(300,322)
Increase in customers' deposits received	1,911,066	60,455
Cash (used in) from operations	(148,715)	1,522,263
Income tax paid	(371,780)	(139,951)
Net cash (used in) from operating activities	(520,495)	1,382,312



	2016 HK\$'000	2015 HK\$'000
Investing activities		
Acquisition of remaining interests in subsidiaries	(402,517)	–
Proceeds from partial disposal of a subsidiary	6,365	–
Capital investment in an associate	(22,220)	–
Capital investment in a joint venture	(300)	–
Acquisition and development expenditures of property, plant and equipment	(568,519)	(402,352)
Development expenditures and additional cost of investment properties	(85,390)	(53,687)
Proceeds from disposal of investments properties	12,902	1,100
Proceeds from disposal of property, plant and equipment	5,644	1,773
Proceeds from disposal of available-for-sale investments	–	3,042
Placement of pledged bank deposits	(31,157)	(104,977)
Release of pledged bank deposits	279,607	6,251
Placement of restricted bank deposits	(114,844)	(93)
Release of restricted bank deposits	3	11,503
Advance to an associate	(22,551)	–
Advance to a joint venture	(50,333)	–
Repayment from a joint venture	6,704	12,474
Dividend and distribution received from associates and a joint venture	12,068	6,821
Dividend received from listed and unlisted investments	287	4,874
Bank interest received	5,853	6,100
Net cash used in investing activities	(968,398)	(507,171)
Financing activities		
Repurchase of bonds	(96,915)	–
Redemption of bonds	(1,248,593)	–
Redemption of convertible bonds	–	(32,889)
Repurchase of own shares	(81,732)	–
Advance from a shareholder of a non-wholly owned subsidiary	245,543	–
Proceeds from issue of shares	6,248	13,583
New bank and other borrowings raised	6,193,245	2,775,605
Repayments of bank and other borrowings	(2,905,525)	(2,660,348)
Payments of finance lease obligations	(356)	(391)
Repayments to a related company	(26,641)	–
Repayments to an associate	(1,173)	(1,349)
Dividends paid	(78,672)	(107,417)
Dividends paid to shareholders of non-wholly owned subsidiaries	(18,646)	(36,660)
Interest paid	(379,981)	(393,256)
Net cash from (used in) financing activities	1,606,802	(443,122)
Net increase in cash and cash equivalents	117,909	432,019
Cash and cash equivalents brought forward	2,285,037	1,907,921
Effect of foreign exchange rate changes	(33,289)	(54,903)
Cash and cash equivalents carried forward	2,369,657	2,285,037
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	2,358,326	2,273,734
Deposit in a financial institution	11,331	11,303
	2,369,657	2,285,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

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 2016 annual report issued by the Company.

The principal activities of the Group are property development, property investment, hotel operations and management, car park operations and facilities management, 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 the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current year:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The application of the amendments to HKFRSs 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 on 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 ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle ¹
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 ¹
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers ²
Amendments to HKAS 1	Disclosure Initiative ¹
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ¹
Amendments to HKAS 27	Equity Method in Separate Financial Statements ¹

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

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

⁴ Effective for annual periods beginning on or after a date to be determined



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 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:

- all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required to be 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 that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally 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 attributable to a financial liability’s 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 is 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 mechanisms currently available in HKAS 39. Under HKFRS 9, 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 retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

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

HKFRS 9 *Financial Instruments* (continued)

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.

HKFRS 15 *Revenue from Contracts with Customers*

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.



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

HKFRS 16 *Leases*

HKFRS 16, which upon the effective date will supersede HKAS 17 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The directors of the Company will assess the impact of the application of HKFRS 16. For the moment, it is not practicable to provide a reasonable estimate of the effect of the application of HKFRS 16 until the Group performs a detailed review.

Except as described above, the directors of the Company do not anticipate that the application of other new and revised HKFRSs will have a material effect on the amounts recognised in the Group’s consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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 (“Listing Rules”) on the Stock Exchange and by the Hong Kong Companies Ordinance (“CO”).

The provision of the new Hong Kong Companies Ordinance (Cap. 622) regarding preparation of accounts and directors’ reports and audits became effective for the Company for the financial year ended 31 March 2016. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented and disclosed in the consolidated financial statements based on the new requirements.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 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.

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.



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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.

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.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

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, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the date of acquisition date (i.e. the date when the Group obtained control), and 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. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata 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.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

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 any directly attributable expenditure. 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 its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment including buildings, leasehold land and freehold land held for use in the production or supply of goods or services, or for administrative purpose (other than properties 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 cost of property, plant and equipment other than properties under development and construction-in-progress less their residual values over their estimated useful lives, using the straight-line method. No depreciation is provided on buildings and hotel under development which have not been in use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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 terms, assets are depreciated over the shorter of the lease terms 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.

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. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

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 of prepaid lease payments provided during the construction period is included as part of the costs of the buildings under construction. 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 in profit or loss on straight-line basis over the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease terms.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures

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

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

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

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

The 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 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.



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument 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.

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.



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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 investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment 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. Subsequent to initial recognition, loans and receivables (including amounts due from associates, an investee company and joint ventures, debtors, other receivables, pledged deposits, restricted bank deposits, deposit in a financial institution, deposits receivable from stakeholders, and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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 assets, such as trade debtors, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. 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 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 and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When such debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to 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.



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

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.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities at FVTPL (continued)

Financial liabilities at FVTPL are measured 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 includes any interest paid on the financial liabilities 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 a related company, associates and shareholders of non-wholly owned subsidiaries, bonds and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

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, of which the interest expense is included in net gains or losses.

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 event 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 Group 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.



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of hedging 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 hedging 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 recognises its retained interest in the asset and an associated liability for amounts it may have to pay. 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 have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- Revenue from car park operations and facilities management 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 reliability).

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 on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences 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 rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributable to non-controlling interests as appropriate).



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

Equity-settled share-based payments to employee are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 44.

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

The fair value determined at the grant date of the equity-settled share-based payments equity is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimates of the number of options expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

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

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

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

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

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 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.



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 financial year.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Fair value measurement and valuation processes (continued)

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.

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, deposits receivable from stakeholders 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

	2016 HK\$'000	2015 HK\$'000
Financial assets		
FVTPL		
Designated at FVTPL	24,000	52,740
Held for trading	1,194,063	1,097,504
Derivative financial instruments	–	2,058
Available-for-sale investments	692	692
Loans and receivables (including cash and cash equivalents)	3,722,642	3,717,718
	4,941,397	4,870,712
Financial liabilities		
FVTPL	85,584	90,481
Amortised cost	12,671,923	10,439,388
	12,757,507	10,529,869

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 rates on bank deposits, interest bearing receivables 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 borrowings 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 ("Australia 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

6. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

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 (2015: 50 basis points) and all other variables were held constant, the Group's profit after tax would decrease/increase by HK\$26,542,000 (2015: HK\$17,005,000) and the interest capitalised would increase/decrease by HK\$21,279,000 (2015: HK\$16,540,000).

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 expose the Group to foreign currency risk. The Group manages the foreign currency risk by entering certain forward foreign exchange contracts closely monitoring the movement of the foreign currency rate.

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

	2016 HK\$'000	2015 HK\$'000
Assets		
Australian Dollar ("A\$")	50,036	81,512
Japanese Yen ("JPY")	7,105	6,090
Renminbi ("RMB")	202,168	128,924
United States Dollar ("US\$")	11,077	6,986
Euro ("EUR")	12,170	23,297
Singapore Dollars ("S\$")	33,003	61,393
Great Britain Pound ("GBP")	133,203	206,437



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% (2015: 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	
	2016 HK\$'000	2015 HK\$'000
A\$	4,178	6,806
JPY	593	508
RMB	16,881	10,765
US\$	831	524
EUR	1,016	1,945
S\$	2,756	5,126
GBP	11,122	17,237

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

6. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

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.

The management adjusted the sensitivity rate from 10% to 5% for assessing the price risk after considering the impact of the existing financial market condition.

If the price of the respective equity securities have been 5% (2015: 10%) higher/lower:

- profit after tax would increase/decrease by HK\$50,854,000 (2015: HK\$96,045,000) as a result of the changes in fair value of held for trading investments and financial assets designated at fair value through profit or loss.
- investment revaluation reserve would increase/decrease by HK\$69,000 (2015: HK\$69,000) as a result of the changes in fair value of available-for-sale investments.

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 significant 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 8% (2015: 5%) 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.



6. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk

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

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

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

	Weighted average interest rate %	On demand or within one year HK\$'000	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 2016</i>							
Creditors and accruals	N/A	706,401	-	-	-	706,401	706,401
Amount due to a related company	N/A	17,856	-	-	-	17,856	17,856
Amounts due to associates	N/A	8,836	-	-	-	8,836	8,836
Amounts due to shareholders of non-wholly owned subsidiaries	N/A	27,799	246,778	-	-	274,577	274,577
Bank and other borrowings							
Variable interest rate instruments	3.80	3,351,346	5,498,320	2,569,067	350,283	11,769,016	10,795,970
Obligations under finance leases	2.70	3,873	5,260	-	-	9,133	8,313
Bonds	6.17	52,196	954,107	-	-	1,006,303	868,283
		4,168,307	6,704,465	2,569,067	350,283	13,792,122	12,680,236

	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
Amount due to a related company	N/A	45,785	-	-	-	45,785	45,785
Amounts due to associates	N/A	10,009	-	-	-	10,009	10,009
Amounts due to shareholders of non-wholly owned subsidiaries	N/A	28,286	-	-	-	28,286	28,286
Bank and other borrowings							
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	5.875-6.17	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

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 2016 and 31 March 2015, the aggregate undiscounted principal amounts of these bank borrowings amounted to HK\$1,522,737,000 and HK\$1,460,621,000, respectively. Taking into account the Group’s financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The Directors believe that such term loans are expected to be repaid in accordance with the loan repayment schedules which are repayable by yearly instalment up to September 2023 (2015: September 2023). 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 2016</i>						
Variable interest rate instruments	2,278,839	5,923,642	2,705,014	960,006	11,867,501	10,795,970
<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

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 measurements 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.



6. FINANCIAL INSTRUMENTS (continued)

c. Fair value of financial instrument (continued)

Financial assets (liabilities) included in the consolidated statement of financial position	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	31/3/2016 HK\$'000	31/3/2015 HK\$'000		
1) Listed equity securities classified as financial assets at FVTPL	5,579	-	Level 1	Quoted bid prices in an active market
2a) Listed debt securities classified as financial assets at FVTPL	603,599	576,837	Level 1	Quoted bid prices in an active market
2b) Unlisted debt securities classified as financial assets at FVTPL	36,441	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 FVTPL	548,444	456,199	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 FVTPL	24,000	52,740	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 banks
5) Call/put options in listed equity securities and foreign currencies classified as derivative financial instruments	-	Assets - 790 Liabilities - (3,737)	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 banks

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

6. FINANCIAL INSTRUMENTS (continued)

c. Fair value of financial instrument (continued)

Financial assets (liabilities) included in the consolidated statement of financial position	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	31/3/2016 HK\$'000	31/3/2015 HK\$'000		
6) Forward foreign exchange contracts classified as derivative financial instruments	Liabilities - (2,016)	Assets - 1,268 Liabilities - (394)	Level 2	Discounted cash flow Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate 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	Liabilities - (6,888)	Liabilities - (4,518)	Level 2	Discounted cash flow 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 swap contracts classified as derivative financial instruments designated as hedging instruments	Liabilities - (76,680)	Liabilities - (81,832)	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 2016 and 31 March 2015.



6. FINANCIAL INSTRUMENTS (continued)

c. Fair value of financial instrument (continued)

Reconciliation of Level 3 fair value measurements of financial assets

	HK\$'000
At 1 April 2014	7,750
Purchase	171,000
Disposal	(126,010)
At 31 March 2015	52,740
Disposal	(28,740)
At 31 March 2016	24,000

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 considers 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 makers. 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, operations of Dorsett Hospitality International Limited ("Dorsett") and its subsidiaries (including hotel operations and management, property investments, securities and financial product investments), and car park operations and facilities management 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 finance costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

7. SEGMENT INFORMATION (continued)

(a) Segment revenue and results

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

	Segment revenue		Segment profit (loss)	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Property development				
– Australia	720,758	1,243,825	193,725	261,025
– Hong Kong ("HK")	34,671	1,073,583	(49,397)	465,545
– Malaysia	–	–	(24,586)	(3,967)
– Other regions in People's Republic of China excluding HK ("PRC")	1,219,607	644,707	786,538	481,884
– Singapore	–	–	(7,684)	–
– United Kingdom ("UK")	3,565	–	2,731	1,885
	1,978,601	2,962,115	901,327	1,206,372
Property investment				
– HK	36,831	36,747	117,290	92,147
– PRC	14,450	14,014	(29,026)	(26,490)
– Singapore	–	5,355	–	(13,068)
	51,281	56,116	88,264	52,589
Operations of Dorsett and its subsidiaries				
– HK	686,941	815,603	157,817	146,248
– Malaysia	215,547	264,399	18,723	46,485
– PRC	197,935	196,968	6,801	(37,210)
– Singapore	100,849	102,606	28,021	31,256
– UK	119,778	74,451	11,792	(20,295)
	1,321,050	1,454,027	223,154	166,484
Car park operations and facilities management				
– Australia	608,672	600,349	48,636	51,149
– Malaysia	14,001	15,774	6,635	6,241
	622,673	616,123	55,271	57,390
Securities and financial product investments	20,377	21,075	7,511	(20,618)
Other operations	1,108	324	3,741	5,733
Segment revenue/segment profit	3,995,090	5,109,780	1,279,268	1,467,950
Unallocated corporate expenses			(71,625)	(80,035)
Finance costs			(228,334)	(59,561)
Profit before tax			979,309	1,328,354
Income tax expense			(221,347)	(330,406)
Profit for the year			757,962	997,948



7. SEGMENT INFORMATION *(continued)*

(a) Segment revenue and results *(continued)*

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.

(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.

	2016 HK\$'000	2015 HK\$'000
Property development		
– Australia	2,567,468	1,845,047
– HK	2,161,886	1,405,863
– Malaysia	490,424	394,732
– PRC	2,788,467	2,626,878
– Singapore	2,390,450	–
– UK	348,355	300,056
	10,747,050	6,572,576
Property investment		
– HK	2,525,293	2,751,823
– PRC	4,222	4,578
– Singapore	–	86,638
	2,529,515	2,843,039
Operations of Dorsett and its subsidiaries		
– HK	4,217,831	4,868,673
– Malaysia	885,849	968,052
– PRC	2,078,333	2,223,323
– Singapore	675,385	827,573
– UK	999,932	942,576
	8,857,330	9,830,197
Car park operations and facilities management		
– Australia	699,048	559,266
– Malaysia	140,759	143,847
	839,807	703,113
Securities and financial product investments	563,919	468,957
Other operations	253,343	179,811
Segment assets	23,790,964	20,597,693
Unallocated corporate assets	2,369,657	1,617,903
Total assets	26,160,621	22,215,596

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

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, excluding investment securities, amounts due from associates, amount due from a joint venture, amount due from an investee company, other receivables, pledged deposits and deferred tax assets.

	Revenue from external customers		Non-current assets	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Australia	1,329,430	1,842,528	828,919	687,864
HK	779,928	1,948,978	6,088,951	5,819,482
Malaysia	229,548	280,173	989,541	1,018,956
PRC	1,431,992	855,689	2,549,857	2,671,696
Singapore	100,849	107,961	657,505	666,647
UK	123,343	74,451	1,008,949	889,142
	3,995,090	5,109,780	12,123,722	11,753,787

(d) Other information

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

	2016						
	Property development HK\$'000	Property investment HK\$'000	Hotel operations and management HK\$'000	Car park operations and facilities management HK\$'000	Securities and financial product investments HK\$'000	Other operations HK\$'000	Consolidated HK\$'000
Impairment loss recognised on trade debtors	(657)	(580)	(195)	-	-	-	(1,432)
Depreciation and amortisation	(1,501)	(8,042)	(278,549)	(21,059)	-	(7,028)	(316,179)
Change in fair value of investment properties	52,356	94,675	44,581	-	-	-	191,612
Change in fair value of financial assets at FVTPL	-	-	-	-	(54,832)	-	(54,832)
Change in fair value of derivative financial instruments	-	-	6,890	-	2,943	-	9,833
(Loss) gain on disposal of property, plant and equipment	(1)	-	(565)	(279)	-	1,005	160
Share of results of associates	-	4,546	-	-	-	-	4,546
Share of results of joint ventures	-	-	-	-	-	(3,114)	(3,114)
Reversal on impairment loss recognised on interest in a joint venture	-	-	-	-	-	11,061	11,061
Interests in associates	22,239	260,205	59,963	-	-	-	342,407
Interests in joint ventures	32,339	1,153	300	-	-	7,260	41,052



7. SEGMENT INFORMATION (continued)

(d) Other information (continued)

	2015						Consolidated HK\$'000
	Property development HK\$'000	Property investment HK\$'000	Hotel operation and management HK\$'000	Car park operation and facilities management HK\$'000	Securities and financial product investments HK\$'000	Other operations HK\$'000	
Impairment loss recognised on trade debtors	(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 values of financial assets at FVTPL	-	-	-	-	(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	-	-	-	-	-	57	57
Reversal on impairment loss recognised on interest in a joint venture	-	-	-	-	-	9,570	9,570
Interests in associates	-	266,547	59,963	-	-	-	326,510
Interests in joint ventures	32,339	2,561	-	-	-	5,808	40,708

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

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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 facilities management, provision of property management services, interest income and dividend income from financial instruments and other operations as set out as follows:

	2016 HK\$'000	2015 HK\$'000
Sale of properties	1,947,164	2,930,316
Leasing of properties	126,672	132,779
Hotel operations and management	1,226,113	1,372,422
Car park operations and facilities management	623,145	617,351
Provision of property management services	14,067	13,690
Interest income and dividend income from financial instruments	56,821	42,898
Other operations	1,108	324
	3,995,090	5,109,780

9. OTHER GAINS AND LOSSES

	2016 HK\$'000	2015 HK\$'000
Change in fair value of investment properties	191,612	271,841
Loss on disposal of available-for-sale investments	-	(235)
Change in fair value of financial assets at FVTPL	(54,832)	(10,401)
Gain arising on transfer of completed properties for sale to investment properties	735	88,023
Change in fair value of derivative financial instruments	9,833	(7,903)
Net foreign exchange gains (losses)	24,279	(51,094)
Impairment loss recognised on trade debtors	(1,432)	(634)
Gain (loss) on disposal of property, plant and equipment	160	(48)
Reversal on impairment loss recognised on interest in a joint venture	11,061	9,570
	181,416	299,119



10. FINANCE COSTS

	2016 HK\$'000	2015 HK\$'000
Interest on:		
Bank borrowings	254,182	274,242
Other loans	329	1,017
Convertible bonds	–	1,128
Finance leases	9	9
Interest on bonds	124,348	136,618
Less: net interest income from cross currency swap contracts	(19,656)	(24,030)
Amortisation of front-end fee	6,106	5,257
Others	10,640	3,576
Total interest costs	375,958	397,817
Less: amounts capitalised to properties under development:		
– investment properties	(1,883)	(14,672)
– properties for owners' occupation	(21,152)	(28,531)
– properties for sale	(122,239)	(127,240)
– construction-in-progress	(2,350)	(3,332)
	228,334	224,042

Borrowing costs capitalised during the year which arose on the general borrowing pool of the Group were calculated by applying a capitalisation rate of 2.18% to 6.17% (2015: 5.875% to 6.17%) per annum to expenditure on the qualifying assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

11. INCOME TAX EXPENSE

	2016 HK\$'000	2015 HK\$'000
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	4,463	74,241
PRC Enterprise Income Tax ("PRC EIT")	169,723	95,585
PRC Land Appreciation Tax ("PRC LAT")	63,515	33,262
Australia Income Tax	22,475	69,002
Malaysia Income Tax	2,502	6,050
Singapore Income Tax	4,352	95
	267,030	278,235
(Over) underprovision in prior years:		
Hong Kong Profits Tax	(53,628)	(235)
PRC EIT	(33,481)	-
Australia Income Tax	605	(297)
Malaysia Income Tax	(48)	165
Singapore Income Tax	(1,338)	(1,825)
	(87,890)	(2,192)
Deferred taxation (note 33)	42,207	54,363
	221,347	330,406

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits 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 profits for the year, respectively.

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
2016							
(Loss) profit before tax	(18,818)	746,285	246,926	(13,065)	7,555	10,426	979,309
Applicable income tax rate	16.5%	25%	30%	25%	17%	16.5% to 35%	
Tax at the applicable income tax rate	(3,105)	186,571	74,078	(3,266)	1,284	3,637	259,199
Tax effect of expenses not deductible for tax purpose	21,724	12,475	1,490	3,979	4,644	1,454	45,766
Tax effect of income not taxable for tax purpose	(29,672)	(7,208)	(18,379)	(6,431)	(10)	(2,870)	(64,570)
PRC LAT	-	63,515	-	-	-	-	63,515
Tax effect of PRC LAT	-	(15,879)	-	-	-	-	(15,879)
Tax effect of deductible temporary difference not recognised	942	-	-	(1,015)	-	-	(73)
Tax effect of tax losses not recognised	16,041	16,390	-	7,415	-	-	39,846
Utilisation of tax losses previously not recognised	19	(9,071)	(3,159)	(4,331)	-	(1,028)	(17,570)
Tax effect of share of results of associates	(750)	-	-	-	-	-	(750)
Tax effect of share of results of joint ventures	35	832	-	-	-	-	867
(Over) underprovision in prior years	(53,628)	(33,481)	605	(48)	(1,338)	-	(87,890)
Others	826	(1,472)	-	941	(216)	(1,193)	(1,114)
Income tax expense for the year	(47,568)	212,672	54,635	(2,756)	4,364	-	221,347

	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	91,617
Tax effect of income not taxable for tax purpose	(38,476)	(20,230)	(17,731)	(3,970)	(2,293)	(2,163)	(84,863)
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 previously not 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)	625	-	-	-	-	203
(Over) underprovision in prior years	(235)	-	(297)	165	(1,825)	-	(2,192)
Others	(4,024)	(2,591)	(736)	547	(708)	-	(7,512)
Income tax expense for the year	71,802	163,780	84,549	6,994	3,281	-	330,406

Details of the deferred taxation are set out in note 33.

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For the year ended 31 March 2016

12. PROFIT FOR THE YEAR

	2016 HK\$'000	2015 HK\$'000
Profit for the year has been arrived at after charging:		
Cost of properties sold recognised as an expense	974,579	1,866,590
Auditor's remuneration	10,108	11,942
Depreciation		
– Operations of Dorsett and its subsidiaries	268,612	249,685
– Car park operations	21,059	20,106
– Others	15,377	13,662
	305,048	283,453
Amortisation of prepaid lease payments	11,131	10,760
Amortisation of investment in a joint venture (included in share of results of joint ventures)	2,904	2,904
Impairment loss recognised on trade debtors	1,432	634
Staff costs		
– Directors' emoluments (note 15(a))	25,911	24,430
– Other staff	589,741	588,539
– Share-based payment expenses to staff	1,180	2,410
	616,832	615,379
Share of taxation of associates (included in share of results of associates)	1,567	1,473
and after crediting:		
Rental income, net of outgoings of HK\$12,794,000 (2015: HK\$23,407,000)	113,878	109,372
Dividend income from:		
– Investment held for trading	287	4,787
– Available-for-sale investments	–	87
	287	4,874
Bank interest income	5,853	6,100



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\$734,427,000 (2015: HK\$956,539,000) and the number of shares calculated as follows:

	2016 '000	2015 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,010,450	1,874,579
Effect of dilutive potential ordinary shares – Company's share options	2,608	4,841
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,013,058	1,879,420

The computation of diluted earnings per share in prior year 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.

14. DIVIDENDS

	2016 HK\$'000	2015 HK\$'000
Dividends recognised as distribution during the year:		
2016 interim dividend of HK3 cents per share (2015: 2015 interim dividend of HK3 cents per share)	64,452	57,018
2015 final dividend of HK13 cents per share (2015: 2014 final dividend of HK12 cents per share)	269,276	222,716
	333,728	279,734

The 2016 interim dividend and 2015 final dividend was declared in form of a scrip dividend to shareholders who were given an option to elect to receive cash in lieu of all or part of their scrip dividend at a share price of HK\$2.884 and HK\$2.828 per share respectively. Shares issued during the year on the shareholders' election for shares are set out in note 34. These new shares rank pari passu to the existing shares of the Company.

A final dividend for the year ended 31 March 2016 of HK13 cents (2015: HK13 cents) per share, total amount of HK\$277,122,000, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

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

(a) Directors' and chief executive's emoluments

The emoluments paid and payable to each of the Directors and Chief Executive of the Company for the year, disclosed pursuant to the applicable Listing Rules and CO, is 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 2016</i>					
<i>Executive Directors:</i>					
David CHIU	25	2,280	12	-	2,317
Dennis CHIU	25	6,242	65	-	6,332
Craig Grenfell WILLIAMS	25	5,184	204	-	5,413
Denny Chi Hing CHAN (note 1)	19	5,914	14	581	6,528
Chris Cheong Thard HOONG	25	3,734	18	830	4,607
<i>Non-executive Director:</i>					
Denny Chi Hing CHAN (note 1)	54	-	-	-	54
<i>Independent Non-executive Directors:</i>					
Kwok Wai CHAN	220	-	-	-	220
Peter Man Kong WONG	220	-	-	-	220
Kwong Siu LAM	220	-	-	-	220
	833	23,354	313	1,411	25,911



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

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

Name of directors	Fees HK\$'000	Salaries, bonuses and other benefits HK\$'000	Retirement benefit scheme contributions HK\$'000	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 Director:</i>					
Daniel Tat Jung CHIU (note 2)	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

notes:

1. Denny Chi Hing CHAN resigned as Executive Director and re-appointed as Non-executive Director on 1 January 2016.
2. Daniel Tat Jung CHIU resigned as Non-executive Director on 28 August 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

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

(a) Directors' and chief executive's 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.

The fee paid or payable to Executive Directors, Chief Executive, Non-executive Director and Independent Non-executive Directors shown above were mainly for their services in connection with their services as directors of the Company.

The salaries, bonuses and other benefits, retirement benefit scheme contributions, and share-based payment expenses paid or payable to Executive Directors, Chief Executive and Non-executive Director shown above were mainly for their services in connection with the management of the affairs of the Group.

Performance related incentive payment was paid/payable to Craig Grenfell WILLIAMS of HK\$2,962,500 (2015: HK\$4,574,500) and Chris Cheong Thard HOONG of HK\$ Nil (2015: HK\$3,923,000), and included in salaries and other benefits, which was determined with reference to their performances.

Neither the chief executive nor any of the directors waived any emoluments in the years ended 31 March 2016 and 31 March 2015.

(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 44.



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

(c) Five highest paid employees

Of the five individuals with the highest emoluments in the Group, four (2015: four) were directors whose emoluments are disclosed above. The remuneration of the remaining one (2015: one) individual is as follows:

	2016 HK\$'000	2015 HK\$'000
Salaries and other benefits	2,670	2,765
Retirement benefit scheme contributions	18	18
Share-based payment expenses	-	104
	2,688	2,887

Their emoluments were within the following band:

	2016 Number of employee	2015 Number of employee
HK\$2,500,001 to HK\$3,000,000	1	1

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.

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For the year ended 31 March 2016

16. INVESTMENT PROPERTIES

	Completed properties HK\$'000	Properties under development HK\$'000	Total HK\$'000
At 1 April 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
Additions	2,529	84,744	87,273
Disposals	(12,902)	–	(12,902)
Reclassify from properties for sales	4,603	–	4,603
Reclassify to property, plant and equipment	(84,796)	–	(84,796)
Increase in fair value	143,356	48,256	191,612
Exchange alignment	(35,892)	–	(35,892)
At 31 March 2016	2,578,213	726,000	3,304,213

	2016 HK\$'000	2015 HK\$'000
The carrying amounts of investment properties which are stated at fair value are on land located:		
In Hong Kong:		
Long leases	755,700	703,976
Medium-term leases	1,294,613	1,261,003
Outside Hong Kong:		
Freehold	93,813	69,146
Long leases	165,886	169,764
Medium-term leases	994,201	950,426
	3,304,213	3,154,315

During the year ended 31 March 2016, the Group changed the intention of use of certain investment properties and reclassified as property, plant and equipment at their fair value on the date of transfer.

During the year ended 31 March 2016, the Group transferred certain completed properties for sales to investment properties at fair value HK\$4,603,000 (2015: HK\$169,000,000) upon change in use, which was evidenced by commencement of operating leases.



16. INVESTMENT PROPERTIES (continued)

The fair value of the completed investment properties and investment properties under development in Hong Kong and outside Hong Kong at 31 March 2016, 31 March 2015 and at the date of transfer have been arrived at on the basis of a valuation carried out on those date by 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 Cushman & Wakefield 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\$30,340,000 (2015: HK\$28,457,000).

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For the year ended 31 March 2016

16. INVESTMENT PROPERTIES (continued)

The fair value measurement of Group's major investment properties and information about the fair value hierarchy at 31 March 2016 and 31 March 2015 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	2.75% to 3.25% per annum (2015: 3% to 3.75% per annum)	HK\$28 to HK\$40 per square feet (2015: HK\$35 to HK\$37 per square feet)
Shops in Hong Kong	3% to 4.5% per annum (2015: 3% to 5% per annum)	HK\$11.5 to HK\$240 per square feet (2015: HK\$11.5 to HK\$240 per square feet)
Retail portion in the PRC	5% to 6.5% per annum (2015: 6% to 8.5% per annum)	RMB37 to RMB205 per square metre (2015: RMB33 to RMB197 per square metre)
Office portion in the PRC	4.5% per annum (2015: 4.5% per annum)	RMB43 to RMB49 per square metre (2015: RMB41 to RMB45 per square metre)
Shops in Australia	5.75% to 10.25% per annum (2015: 5.75% to 10.5% per annum)	A\$607 to A\$2,273 per square metre (2015: A\$601 to A\$1,906 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\$45,016 (2015: S\$46,885) 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\$17,300 (2015: HK\$17,000) per square feet with the developer's profit of 0% (2015: 10%). If the gross development value is higher, the fair value increase.

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.



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 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
Additions	109,274	308,929	122,568	51,684	592,455
Transfer upon completion of development	-	-	25,368	(25,368)	-
Reclassify from investment properties	84,796	-	-	-	84,796
Disposals	(1,493)	-	(12,246)	-	(13,739)
Exchange alignment	(131,976)	(13,765)	(22,487)	-	(168,228)
At 31 March 2016	6,830,297	1,030,286	1,186,542	50,920	9,098,045
DEPRECIATION AND IMPAIRMENT					
At 1 April 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
Provided for the year	180,029	-	125,019	-	305,048
Eliminated on disposals	-	-	(8,255)	-	(8,255)
Exchange alignment	(22,267)	-	(7,731)	-	(29,998)
At 31 March 2016	938,933	-	438,630	-	1,377,563
CARRYING VALUES					
At 31 March 2016	5,891,364	1,030,286	747,912	50,920	7,720,482
At 31 March 2015	5,988,525	735,122	743,742	24,604	7,491,993

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17. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	2016 HK\$'000	2015 HK\$'000
Leasehold land and building in Hong Kong		
Long leases	541,038	468,598
Medium-term leases	2,923,722	2,858,576
Freehold land and building outside Hong Kong	2,238,473	2,125,783
Building on leasehold land outside Hong Kong		
Long leases	353,712	320,965
Medium-term leases	864,705	949,725
	6,921,650	6,723,647

Leasehold lands are depreciated over the terms 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\$40,084,000 (2015: HK\$18,432,000).

The Group is in the process of obtaining the title of certain completed hotel properties located outside Hong Kong with carrying amount of HK\$113,179,000 (2015: HK\$292,688,000).

Included in leasehold improvements, furniture, fixtures and equipment is an aggregate carrying amount of HK\$8,824,000 (2015: HK\$9,143,000) in respect of assets held under finance leases.



18. PREPAID LEASE PAYMENTS

	2016 HK\$'000	2015 HK\$'000
Balance at beginning of the year	556,995	595,221
Amortisation	(11,131)	(10,760)
Exchange alignment	(8,271)	(27,466)
Balance at end of the year	537,593	556,995
The carrying value represents leasehold land outside Hong Kong:		
Long-term leases with lease period of 99 years	287,236	285,538
Medium-term leases with lease period of 35 years	250,357	271,457
	537,593	556,995
Analysed for reporting purposes as:		
Non-current asset	522,412	541,476
Current asset	15,181	15,519
	537,593	556,995

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% (2015: 17%) per annum. The management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the goodwill exceeding its recoverable amount.

20. INTERESTS IN ASSOCIATES

	2016 HK\$'000	2015 HK\$'000
Unlisted investments, at cost less impairment	108,759	86,539
Share of post-acquisition results, net of dividends received	233,648	239,971
	342,407	326,510

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For the year ended 31 March 2016

20. INTERESTS IN ASSOCIATES (continued)

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

Name of associate	Class of shares held	Registered capital/Proportion of nominal value of issued capital held by the Company indirectly		Principal activities
		2016	2015	
Bermuda Investments Limited	Ordinary	25%	25%	Property investment
Cosmopolitan Resort (Zhuji) Limited ("Zhuji") [#]	N/A	25%	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
Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd [†]	Ordinary	25%	–	Property development and investment

[#] Sino-foreign joint venture established and operating in the PRC

^{*} Incorporated in British Virgin Islands and operating in Hong Kong

[†] Incorporated and operating in Australia

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

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 2016 and 31 March 2015 attributable to the Group's interest, is as follows:

	2016 HK\$'000	2015 HK\$'000
The Group's share of profit after tax	4,546	16,746
The Group's share of total comprehensive income	4,546	16,746

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:

	2016 HK\$'000	2015 HK\$'000
The unrecognised share of losses for the year	(68)	(26)
Cumulative unrecognised share of losses	(50,389)	(50,321)



21. INTERESTS IN JOINT VENTURES

(a) Joint ventures

	2016 HK\$'000	2015 HK\$'000
Unlisted investments, at cost	47,166	49,764
Share of post-acquisition results, net of dividends/ distributions received	14,206	22,325
Less: Impairment	(20,320)	(31,381)
	41,052	40,708

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
		2016	2015	
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%	25%	Real estate agency
Festival Car Park Pty Limited	Australia	25%	–	Carpark operation
CDD International Holdings Limited	HK	30%	–	Creation, marketing, selling and servicing prepaid vacation packages and associated benefits
QWB Residential Precinct Holdings Pty Limited	Australia	50%	–	Property development and investment

note: The entity was 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.

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21. INTERESTS IN JOINT VENTURES (continued)

(a) Joint ventures (continued)

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 2016 and 31 March 2015 attributable to the Group's interest is as follows:

	2016 HK\$'000	2015 HK\$'000
The Group's share of (loss) profit after tax	(3,114)	57
The Group's share of total comprehensive (expense) income	(3,114)	57

(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.

Assets with a carrying value of HK\$79,740,000 (2015: HK\$69,706,000) recognised in the consolidated financial statements as at 31 March 2016 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.

- (ii) 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 ("MYR") 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 MYR8,800,000, equivalent to HK\$17,407,000 (2015: MYR8,800,000, equivalent to HK\$18,468,000) recognised in the consolidated financial statements as at 31 March 2016 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.



22. INVESTMENT SECURITIES

(a) Available-for-sale investments

	2016 HK\$'000	2015 HK\$'000
Unlisted:		
Equity securities	4	4
Club membership	688	688
	692	692

(b) Financial assets at FVTPL

	2016 HK\$'000	2015 HK\$'000
Investments held for trading		
Equity securities listed in Hong Kong	5,579	–
Listed debt securities	603,599	576,837
Unlisted debt securities	36,441	64,468
Investment funds	548,444	456,199
	1,194,063	1,097,504
Financial assets designated at FVTPL		
Structured deposits	24,000	52,740
	1,218,063	1,150,244
Total	1,218,755	1,150,936
Analysed for reporting purposes as:		
Non-current assets	692	692
Current assets	1,218,063	1,150,244
	1,218,755	1,150,936

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

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23. OTHER RECEIVABLES

	2016 HK\$'000	2015 HK\$'000
Compensation receivable	–	84,791
Loans receivable	93,031	62,513
	93,031	147,304
Less: Amount due within one year and classified under current assets	(12,605)	(121,985)
Amount due after one year	80,426	25,319

Loans receivable mainly represented the second mortgage loans with carrying amount of HK\$83,263,000 (2015: HK\$33,551,000) and secured by the properties of the borrowers. The second mortgage loans amounting to HK\$29,926,000 (2015: HK\$33,551,000) bear interest at prime rate minus 1.5% for first two years and prime rate plus 0.5% for the remaining loan period, another balance of HK\$51,789,000 (2015: Nil) are interest-free for the first 3 years and bear interest at prime rate per annum and are repayable by instalment thereafter and the remaining balance of HK\$11,316,000 (2015: HK\$28,962,000) 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 provision required.

24. PLEDGED DEPOSITS, RESTRICTED 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 3.21% (2015: 0.00% to 0.43%) per annum. These deposits are pledged to secure bank loans repayable after one year.

The pledged deposits shown under current assets carry interest at market rates ranging from 0.00% to 3.25% (2015: 0.06% to 3.10%) per annum. These deposits, with maturity dates ranging from 1 to 6 months, are pledged to secure bank borrowings repayable within one year.

Restricted bank deposits represent 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 a rate of 0.00% (2015: 0.00% to 0.10%) per annum.

Bank deposits with maturity of less than three months and bank balances carry interest at market rates ranging from 0.00% to 5.30% (2015: 0.00% to 3.90%) per annum.

25. PROPERTIES FOR SALE

Included in properties for sale are properties with carrying value of HK\$6,975,617,000 (2015: HK\$4,266,620,000) which are not expected to be realised within the next twelve months.



26. DEBTORS, DEPOSITS AND PREPAYMENTS

	2016 HK\$'000	2015 HK\$'000
Trade debtors, net of allowance of doubtful debt	89,851	154,654
Advance to contractors	37,555	9,139
Utility and other deposits	39,620	35,153
Prepayment and other receivables	201,696	193,957
Other tax recoverable	158,682	–
	527,404	392,903

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

	2016 HK\$'000	2015 HK\$'000
0–60 days	70,545	76,427
61–90 days	6,924	4,388
Over 90 days	12,382	73,839
	89,851	154,654

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

Trade debtors mainly represent receivables from renting of properties, use of hotel facilities and sales of properties. Rentals are payable on presentation of demand notes. Hotel room revenue is normally settled by cash or credit card. The Group allows an average credit period of 14 to 60 days to its corporate customers and travel agents.

Proceeds from sales of properties are settled according to the payment terms of the sale and purchase agreements.

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 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. The Group does not hold any collateral over these balances.

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For the year ended 31 March 2016

26. DEBTORS, DEPOSITS AND PREPAYMENTS (continued)

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

	2016 HK\$'000	2015 HK\$'000
Balance at beginning of the year	11,045	10,774
Impairment losses recognised	1,432	634
Amount written off as uncollectible	(385)	(363)
Balance at end of the year	12,092	11,045

27. DEPOSITS RECEIVABLE FROM STAKEHOLDERS

The amount represents the portion of the sales proceeds that have been settled by the buyers of properties and are being held in the escrow accounts. During the construction period, the amount is earmarked for payment of certain properties under development and repayment of relevant bank loans. The funds are remitted to the Group upon the issuance of the relevant certificates by the relevant government authorities.

28. CREDITORS AND ACCRUALS

	2016 HK\$'000	2015 HK\$'000
Trade creditors		
– Construction cost and retention payable	295,708	205,746
– Others	74,591	70,857
	370,299	276,603
Construction cost and retention payable for capital assets	113,511	104,937
Rental and reservation deposits and receipts in advance	45,879	49,389
Payable to brokers for the purchase of securities	–	10,540
Other payable and accrued charges	299,074	295,875
	828,763	737,344

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

	2016 HK\$'000	2015 HK\$'000
0–60 days	347,097	198,730
61–90 days	2,851	1,590
Over 90 days	20,351	76,283
	370,299	276,603



29. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Amounts payable under finance leases:				
Within one year	3,873	4,448	3,468	4,038
In more than one year but not more than five years	5,260	4,938	4,845	4,622
Less: Future finance charges	9,133 (820)	9,386 (726)	8,313 –	8,660 –
Present value of lease obligations	8,313	8,660	8,313	8,660
Less: Amount due within one year shown under current liabilities			(3,468)	(4,038)
Amount due after one year			4,845	4,622

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% (2015: 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.

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30. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets		Liabilities	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Designated under hedge accounting				
Cross currency swap contracts (note 1)	-	-	(76,680)	(81,832)
Designated not under hedge accounting				
Interest rate swap contracts (note 2)	-	-	(6,888)	(4,518)
Call/put options in listed equity securities and foreign currencies (note 3)	-	790	-	(3,737)
Forward foreign exchange contracts (note 4)	-	1,268	(2,016)	(394)
	-	2,058	(85,584)	(90,481)
Analysed for reporting purpose as:				
Current	-	2,058	(8,904)	(31,542)
Non-current	-	-	(76,680)	(58,939)
	-	2,058	(85,584)	(90,481)

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 32. 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 cross currency swap contracts in relation to 2016 Bonds were matured. The fair value losses arising from the cross currency swap contracts of HK\$32,575,000 (2015: HK\$117,029,000) were recognised in other comprehensive income.

Major terms of cross currency swap contracts at 31 March 2016 and 31 March 2015 are set out below:

- | | | |
|-------|-----------------------------|---|
| (i) | Date of contract: | 25 March 2013 |
| | Effective date: | 3 April 2013 |
| | Notional amount: | RMB476,500,000 |
| | Maturity: | 3 April 2018 |
| | Interest payment: | 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 US\$76,817,669 semi-annually |
| | Principal exchanged amount: | US\$76,817,669 |
| (ii) | Date of contract: | 27 March 2013 |
| | Effective date: | 3 April 2013 |
| | Notional amount: | RMB333,500,000 |
| | Maturity: | 3 April 2018 |
| | Interest payment: | Receive interest at a fixed rate of 6% per annum on the RMB notional amount and pay interest at a fixed rate of 4.95% per annum on US\$53,738,318 semi-annually |
| | Principal exchanged amount: | US\$53,738,318 |
| (iii) | 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 US\$40,178,075 semi-annually |
| | Principal exchanged amount: | US\$40,178,075 |



30. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

notes: (continued)

(1) Cross currency swap contracts (continued)

(iv)	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 US\$120,365,912 semi-annually
	Principal exchanged amount:	US\$120,365,912

(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 2016 and 31 March 2015 are set out below:

(i)	Date of contract:	15 May 2014
	Effective date:	19 May 2014
	Notional amount:	US\$10,000,000
	Maturity:	19 May 2024 with an option of early termination by the Group
	Interest payment:	Pay interest at a fixed rate of 2.65% and receive interest at 3 months LIBOR
(ii)	Date of contract:	12 February 2015
	Effective date:	17 February 2015
	Notional amount:	US\$2,000,000
	Maturity:	2 July 2017
	Interest payment:	Pay interest at a fixed rate of 1.20% and receive interest at 3 months LIBOR
(iii)	Date of contract:	12 February 2015
	Effective date:	17 February 2015
	Notional amount:	US\$2,000,000
	Maturity:	24 January 2018
	Interest payment:	Pay interest at a fixed rate of 1.28% 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 2016 and 31 March 2015 are set out below:

31 March 2016

Notional amount	Maturity	Forward contract rate
Aggregate amount of US\$13,447,625	April 2016	Buy US\$/sell EUR at 1.119 to 1.129
RMB16,334,365	September 2016	Buy US\$/sell RMB at 0.150
US\$682,624	April 2016	Buy US\$/sell S\$ at 0.732

31 March 2015

Notional amount	Maturity	Forward contract rate
Aggregate amount of US\$8,641,569	April 2015	Buy US\$/sell EUR at 1.085 to 1.118
EUR5,364,510	April 2015	Buy EUR/sell US\$ at 0.923
US\$712,462	April 2015	Buy US\$/sell S\$ at 0.726

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31. BANK BORROWINGS

	2016 HK\$'000	2015 HK\$'000
Bank loans	10,838,111	7,572,750
Less: front-end fee	(42,141)	(17,760)
	10,795,970	7,554,990
Analysed for reporting purpose as:		
Current liabilities	2,932,693	3,087,051
Non-current liabilities	7,863,277	4,467,939
	10,795,970	7,554,990
The borrowings repayable based on scheduled repayment dates set out in the loan agreements are as follows:		
On demand or within one year	1,869,535	2,566,620
More than one year, but not exceeding two years	1,694,350	525,747
More than two years, but not exceeding five years	6,353,863	4,179,277
More than five years	920,363	301,106
	10,838,111	7,572,750

The carrying amounts of the borrowings include an amount of HK\$1,072,508,000 (2015: HK\$521,021,000) which is not repayable within one year based on scheduled repayment dates has, however, been shown under current liabilities as the counterparties have discretionary rights to demand immediate repayment.



31. BANK BORROWINGS (continued)

The secured bank loans which are denominated in various currencies are analysed below. The unsecured bank loans of HK\$1,750,000,000 is denominated in HK\$ at HIBOR plus 1.6% to 1.9% (2015: Nil).

Currencies	Interest rates	2016 HK\$'000	2015 HK\$'000
HK\$	HIBOR plus 1.55% to 3.00% (2015: HIBOR plus 1.55% to 3.00%)	3,969,265	4,627,086
RMB	100% of 1 year PBOC Prescribed Interest Rate to 130% of 1 to 3 years PBOC Prescribed Interest Rate (2015: 100% of 1 year PBOC Prescribed Interest Rate to 130% of 1 to 3 years PBOC Prescribed Interest Rate)	1,111,224	1,122,080
S\$	S\$ SOR plus 1.10% to 1.20% (2015: S\$ SOR plus 1.20%)	2,121,083	366,600
MYR	Malaysia BLR minus 1.50% to Malaysia BLR (2015: Malaysia BLR minus 1.50%, Malaysia BLR plus 1.25% to 1.50%)	276,501	280,636
A\$	Australia BBSW plus 1.40% to 2.50% (2015: Australia BBSW plus 1.45% to 2.50%)	1,235,956	892,378
GBP	LIBOR plus 2.80% (2015: LIBOR plus 2.80%)	374,082	255,567
US\$	0.6% per annum above Bank's Cost of Funds	-	28,403
		9,088,111	7,572,750

32. BONDS

	2016 Bonds HK\$'000	2018 Bonds HK\$'000	Total HK\$'000
At 1 April 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
Interest charged during the year	65,481	61,850	127,331
Interest paid during the year	(65,603)	(58,504)	(124,107)
Redemption upon maturity	(1,248,593)	-	(1,248,593)
Repurchase during the year	-	(99,074)	(99,074)
Exchange adjustments	(1,285)	(41,263)	(42,548)
At 31 March 2016	-	868,283	868,283

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32. BONDS (continued)

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. During the year, the 2016 Bonds are redeemed in full on maturity.

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 the 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 6.17% per annum payable semi-annually. During the year ended 31 March 2014, Dorsett partially repurchased a principal amount of RMB39,660,000 (equivalent to HK\$49,972,000).

During the year, the Company, through its subsidiary, purchased 2018 Bonds with the principal amount of RMB83,030,000 (equivalent to HK\$101,712,000). As at 31 March 2016, the outstanding principal amount of 2018 Bonds was RMB727,310,000 (equivalent to HK\$872,772,000).

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 Company's circular dated 25 February 2013 and Dorsett's circular dated 25 March 2013, respectively.



33. 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 (note)	Total HK\$'000
At 1 April 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
(Credit) charge to profit or loss	(133)	27,892	-	(1,245)	(18,241)	33,934	42,207
Exchange alignment	-	757	(1,120)	-	(4)	332	(35)
At 31 March 2016	76,027	129,961	60,726	36,751	(47,858)	71,331	326,938

note: Others represent the temporary difference arising from the deduction of the interest expenses of overseas subsidiaries at the development stage.

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

	2016 HK\$'000	2015 HK\$'000
Deferred tax assets	(35,512)	(30,537)
Deferred tax liabilities	362,450	315,303
	326,938	284,766

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 2016, the Group has unused tax losses of HK\$1,271,763,000 (2015: HK\$1,164,537,000) available to offset against future profits. A deferred tax asset has been recognised in respect of such losses to the extent of HK\$289,872,000 (2015: HK\$150,198,000). No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$981,891,000 (2015: HK\$1,014,339,000) due to the unpredictability of future profit streams.

At 31 March 2016, the Group has deductible temporary difference in relation to accelerated depreciation of property, plant and equipment amounted to HK\$420,709,000 (2015: HK\$419,060,000). 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.

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33. DEFERRED TAXATION (continued)

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\$1,599,160,000 (2015: HK\$1,091,085,000) 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.

34. 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 2014	1,849,514,438	184,951
Issue of shares in lieu of cash dividends (iii)	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
Issue of shares in lieu of cash dividends (i and ii)	89,930,960	8,993
Issue upon exercise of share option at HK\$2.55 per share	450,000	45
Issue upon exercise of share option at HK\$1.50 per share	3,400,000	340
Issue of shares upon privatisation of Dorsett (iv)	153,772,358	15,377
Repurchase of shares (v)	(29,581,000)	(2,958)
At 31 March 2016	2,131,709,116	213,171

- (i) On 30 November 2015, the Company issued and allotted 77,033,712 new fully paid shares of HK\$0.10 each at HK\$2.828 to the shareholders who elected to receive shares in the Company in lieu of cash for the 2015 final dividend pursuant to the scrip dividend scheme announced by the Company on 24 June 2015. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.
- (ii) On 15 February 2016, the Company issued and allotted 12,897,248 new fully paid shares of HK\$0.10 each at HK\$2.884 to the shareholders who elected to receive shares in the Company in lieu of cash for the 2016 interim dividend pursuant to the scrip dividend scheme announced by the Company on 25 November 2015.



34. SHARE CAPITAL (continued)

- (iii) On 27 February 2015 and 24 October 2014, the Company issued and allotted 12,925,110 and 43,993,169 new fully paid shares of HK\$0.10 each at HK\$3.018 and HK\$3.03 respectively to the shareholders who elected to receive shares in the Company in lieu of cash for the 2015 interim dividend and 2014 final dividend pursuant to the scrip dividend scheme announced by the Company on 26 November 2014 and 26 June 2014 respectively. These new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.
- (iv) On 14 October 2015, the Company issued and allotted 153,772,358 new fully paid shares of HK\$0.10 each at HK\$3.84 amounting to HK\$590,486,000 as part of the consideration for the acquisition of the remaining equity interest in Dorsett. The fair value of the share consideration was determined based on the published prices of the Company's share on the respective date of the Stock Exchange.
- (v) During the year ended 31 March 2016, the Company, through its subsidiary, repurchased certain of its own shares as follows:

Month of repurchase	No. of ordinary share purchased	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
December 2015	17,581,000	2.95	2.61	49,020
January 2016	12,000,000	2.93	2.58	32,712

The shares were cancelled during the year and accordingly the issued share capital and the share premium was reduced by the nominal value of these shares and the premium paid on repurchase respectively.

All the shares issued during the two years ended 31 March 2016 rank pari passu in all respects with the existing shares in the Company.

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

35. NON-CONTROLLING INTERESTS

	2016 HK\$'000	2015 HK\$'000
Share of net assets of subsidiaries	127,123	1,128,970
Share options reserve of subsidiaries	-	8,871
Hedging reserve	-	(20,562)
	127,123	1,117,279

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36. ACQUISITION OF REMAINING INTERESTS IN A SUBSIDIARY

During the year, the Company acquired 26.03% of the equity interest in Dorsett, which was a non-wholly owned listed subsidiary of the Group before the completion of the privatisation of Dorsett for a total consideration of HK\$984,144,000 payable in cash of HK\$393,658,000 and the issuance of the Company's own shares of HK\$590,486,000. The transaction was completed on 14 October 2015. Upon the completion, Dorsett became an indirect wholly owned subsidiary of the Company. The net difference between the consideration and the carrying amount of shareholders of non-wholly owned subsidiaries was recognised directly in equity for the year ended 31 March 2016.

37. MAJOR NON-CASH TRANSACTIONS

The Company issued shares in lieu of cash dividend payable to the Company's shareholders totalling HK\$255,056,000 (2015: HK\$172,317,000).

During the year ended 31 March 2015, 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.

38. CHARGE ON ASSETS

Bank and other loans with aggregate amount of HK\$10,838,111,000 (2015: HK\$7,572,750,000) 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:

	2016 HK\$'000	2015 HK\$'000
Investment properties	1,720,637	2,619,115
Property, plant and equipment	5,436,245	5,336,021
Prepaid lease payments	533,080	551,288
Properties for sale	5,786,103	3,132,363
Bank deposits	27,101	275,546
	13,503,166	11,914,333

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

39. CONTINGENT LIABILITIES

- (a) During the year ended 31 March 2014, Management Corporation Strata Title No. 512 ("MCST 512") filed a 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). During the year, the High Court issued a judgement in favour of Tang City Holdings Pte. Ltd. and dismissed MCST 512's claim.



39. CONTINGENT LIABILITIES (continued)

- (b) During the year ended 31 March 2010, Hong Kong (SAR) Hotel Limited ("HKSAR Hotel"), a former subsidiary of the Company, 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 disposed 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 8 August 2013 and 19 August 2013. Both HKSAR Hotel and the contractor have filed the closing submissions and the reply submissions in September 2013 and October 2013. Subsequent to 31 March 2016, the court issued a decision in favour of HKSAR Hotel and ordered the contractor to pay HKSAR Hotel HK\$10,014,000 as compensation.

40. CAPITAL COMMITMENTS

	2016 HK\$'000	2015 HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	318,805	259,477
Others	33,745	83,761
	352,550	343,238

41. 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\$2,578,213,000 (2015: HK\$2,560,885,000) and HK\$19,930,000 (2015: HK\$71,345,000) respectively were let out under operating leases. Gross rental income earned during the year is HK\$126,672,000 (2015: HK\$132,779,000) of which HK\$122,270,000 (2015: HK\$128,116,000) 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:

	2016 HK\$'000	2015 HK\$'000
Within one year	91,515	88,907
In the second to fifth year inclusive	191,072	189,793
More than five years	75,891	113,578
	358,478	392,278

Leases are negotiated and rentals are fixed for terms ranging from one to twenty years (2015: one to twenty years).

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41. OPERATING LEASE ARRANGEMENTS (continued)

The Group as lessee:

Minimum lease payments paid under operating leases during the year.

	2016 HK\$'000	2015 HK\$'000
Premises	388,284	385,760
Equipment	21	29
	388,305	385,789

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:

	2016 HK\$'000	2015 HK\$'000
Within one year	47,983	48,799
In the second to fifth year inclusive	100,391	48,056
Over five years	2,793	61,714
	151,167	158,569

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

42. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2016 HK\$'000	2015 HK\$'000
Provision of building management service by associates	4,451	4,303

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

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

- (b) The Group has entered into 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 2016, hotel management services income of HK\$395,000 (2015: HK\$234,000) was received under these contracts.
- (c) Remunerations paid and payable to the members of key management, who are the directors and the five highest paid individuals, during the year are disclosed in note 15.



43. AMOUNTS DUE FROM/TO RELATED PARTIES

The amounts due from/to associates, joint ventures, an investee company, a related company and shareholders of non-wholly owned 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.

In respect of the amounts classified under non-current assets, the Group does not expect repayment within the next twelve months from the end of the reporting period.

In respect to the amounts classified under non-current liabilities, the Group is not required to settle the balance within twelve months from the end of the reporting period.

44. SHARE OPTION SCHEMES

(a) Share Option Schemes of the Company

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

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

At 31 March 2016, the number of options which remained outstanding under the FECIL Share Option Schemes was 16,500,000 (2015: 20,350,000) which, if exercise in full, would represents 0.77% (2015: 1.06%) of the enlarged capital of the Company.

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44. SHARE OPTION SCHEMES (continued)

(a) Share Option Schemes of the Company (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	16.9.2009 to 15.9.2019	1.500
Tranche 2	8.5.2009 to 15.9.2010	16.9.2010 to 15.9.2019	1.500
Tranche 3	8.5.2009 to 15.9.2011	16.9.2011 to 15.9.2019	1.500
Tranche 4	8.5.2009 to 15.9.2012	16.9.2012 to 15.9.2019	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

**44. SHARE OPTION SCHEMES** (continued)**(a) Share Option Schemes of the Company** (continued)

The movements in the options granted to employees in aggregate during the two years ended 31 March 2015 and 31 March 2016 are as follows:

Option type	Date of grant	At 1.4.2014	Exercised during the year	At 31.3.2015	Exercised during the year	At 31.3.2016
Tranche 1	21.10.2004	250,000	(250,000)	-	-	-
Tranche 2	21.10.2004	325,000	(325,000)	-	-	-
Tranche 3	21.10.2004	475,000	(475,000)	-	-	-
Tranche 4	21.10.2004	1,575,000	(1,575,000)	-	-	-
Tranche 5	21.10.2004	2,475,000	(2,475,000)	-	-	-
		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	-	-	-	-	-
Tranche 2	8.5.2009	1,700,000	(1,700,000)	-	-	-
Tranche 3	8.5.2009	1,850,000	(300,000)	1,550,000	(1,550,000)	-
Tranche 4	8.5.2009	1,850,000	-	1,850,000	(1,850,000)	-
		5,400,000	(2,000,000)	3,400,000	(3,400,000)	-
Tranche 1	27.3.2013	2,400,000	-	2,400,000	(450,000)	1,950,000
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	(450,000)	15,550,000
		27,450,000	(7,100,000)	20,350,000	(3,850,000)	16,500,000
Weighted average exercisable price		2.281	1.913	2.409	1.623	2.593
Number of options exercisable at the end of the year				9,950,000		10,100,000

Total consideration received by the Group for exercising the options granted amount to approximately HK\$6,248,000 (2015: HK\$13,583,000).

The weighted average closing price of the Company's share immediately before the date(s) on which the options were exercised is HK\$3.48 (2015: HK\$2.98).

Total share option expenses in relation to the options granted by the Company recognised during the year amounted to HK\$2,591,000 (2015: HK\$4,014,000).

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44. SHARE OPTION SCHEMES (continued)

(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.

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 which, if exercise in full, represents 0.68% of the enlarged capital of Dorsett. 10,810,887 share option were exercisable at 31 March 2015. Pursuant to a resolution passed on 21 August 2015, every vested and unvested share options under Dorsett Share Option Scheme was cancelled.

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 1.4.2014	Lapsed during the year	At 31.3.2015	Cancelled during the year	At 31.3.2016
Tranche 1	11.10.2010 to 10.10.2011	11.10.2011 to 10.10.2014	2.20	3,603,629	(3,603,629)	-	-	-
Tranche 2	11.10.2010 to 10.10.2012	11.10.2012 to 10.10.2015	2.20	3,603,629	-	3,603,629	(3,603,629)	-
Tranche 3	11.10.2010 to 10.10.2013	11.10.2013 to 10.10.2016	2.20	3,603,629	-	3,603,629	(3,603,629)	-
Tranche 4	11.10.2010 to 10.10.2014	11.10.2014 to 10.10.2017	2.20	3,603,629	-	3,603,629	(3,603,629)	-
Tranche 5	11.10.2010 to 10.10.2015	11.10.2015 to 10.10.2018	2.20	3,603,658	-	3,603,658	(3,603,658)	-
				18,018,174	(3,603,629)	14,414,545	(14,414,545)	-

No options were granted and no options granted were exercised during the years ended 31 March 2015 and 31 March 2016.



44. SHARE OPTION SCHEMES (continued)

(b) Share Option Scheme of Dorsett (continued)

The fair value of the options under FECIL Share Option Schemes and Dorsett Share Option Scheme at the date of grant determined using the Binomial model.

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.

45. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong under the rules and regulations of the Mandatory Provident Fund Schemes Authority. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Contributions are made based on a percentage of the participating employees' relevant income from the Group and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. When an employee leaves the MPF Scheme, the mandatory contributions are fully vested with the employee.

According to the relevant laws and regulations in the PRC, the PRC subsidiary is required to contribute a certain percentage of the salaries of their employees to the state-managed retirement 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. Contribution are made based on a certain percentage of salaries of the employees in the United Kingdom to the defined contribution scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. The pension costs of the defined contribution schemes represent the contributions accrued to the scheme in respect of the accounting period.

Total retirement benefit expenses charged to profit or loss amounted to HK\$44,700,000 in the current year (2015: HK\$39,637,000).

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46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2016 HK\$'000	2015 HK\$'000
Interests in subsidiaries	5,603,011	4,493,374
Loans to subsidiaries	–	1,239,794
Other assets	88,176	125,919
Total assets	5,691,187	5,859,087
Amount due to a subsidiary	5,125	–
Derivative financial instruments designated as hedging instruments	–	22,893
Bonds	–	1,250,000
Loan from a subsidiary	600,000	–
Other liabilities	171,484	105,486
Total liabilities	776,609	1,378,379
Net assets	4,914,578	4,480,708
Share capital	213,171	191,374
Share premium and reserves (Note)	4,701,407	4,289,334
Total equity	4,914,578	4,480,708



46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

The movement of equity is as follows:

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share options reserve HK\$'000	Other reserve HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2014	184,951	2,802,276	25,500	20,708	637,689	9,059	501,023	4,181,206
Profit for the year	-	-	-	-	-	-	426,663	426,663
Fair value adjustments on cross currency swap contracts designated as cash flows hedges	-	-	-	-	-	(37,952)	-	(37,952)
Total comprehensive income for the year	-	-	-	-	-	(37,952)	426,663	388,711
Dividends	-	-	-	-	-	-	(279,734)	(279,734)
Share issued in lieu of cash dividend	5,692	166,625	-	-	-	-	-	172,317
Shares issued upon exercise of share options	710	12,873	-	-	-	-	-	13,583
Shares issued upon conversion of convertible bonds	21	590	-	-	-	-	-	611
Recognition of equity-settled share-based payments expenses	-	-	-	4,014	-	-	-	4,014
At 31 March 2015	191,374	2,982,364	25,500	24,722	637,689	(28,893)	647,952	4,480,708
Loss for the year	-	-	-	-	-	-	(25,085)	(25,085)
Fair value adjustments on cross currency swap contracts designated as cash flows hedges	-	-	-	-	-	(14,839)	-	(14,839)
Reclassification from hedging reserve to profit and loss	-	-	-	-	-	43,732	-	43,732
Total comprehensive income for the year	-	-	-	-	-	28,893	(25,085)	3,808
Dividends	-	-	-	-	-	-	(333,728)	(333,728)
Share issued in lieu of cash dividend	8,993	246,063	-	-	-	-	-	255,056
Acquisition of remaining interests in Dorsett	15,377	575,109	-	-	(8,859)	-	-	581,627
Shares issued upon exercise of share options	385	5,863	-	-	-	-	-	6,248
Repurchases of shares	(2,958)	(78,774)	2,958	-	-	-	(2,958)	(81,732)
Recognition of equity-settled share-based payments expenses	-	-	-	2,591	-	-	-	2,591
At 31 March 2016	213,171	3,730,625	28,458	27,313	628,830	-	286,181	4,914,578

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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	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
			2016	2015	
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
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
Apexwill Limited	BVI/HK	1 share of US\$1	100	100	Investment holding
Arvel Company Limited	HK	10,000 shares of HK\$1*	100	100	Property investment
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	Investment holding
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*	100	73.97	Investment holding
Caragis Limited	HK	1,000 shares of HK\$1*	100	73.97	Hotel operation
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 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



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	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
			2016	2015	
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*	100	73.97	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	100	73.97	Hotel management
Chun Wah Holdings Limited	HK	200 shares of HK\$1*	100	100	Property development
City Sight Limited	HK	1 share of HK\$1*	100	100	Loan financing
Complete Delight Limited	BVI/HK	1 share of US\$1	100	73.97	Hotel operation
Cosmopolitan Hotel Limited	HK	10,000 shares of HK\$1*	100	73.97	Hotel operation
Dorsett Bukit Bintang Sdn. Bhd.	Malaysia	2 shares of MYR1	100	100	Property development
Dorsett Hospitality International Limited	Cayman	2,100,626,650 shares of HK\$0.1	100	73.97	Investment holding
Dorsett Hospitality International (M) Sdn Bhd	Malaysia	2 shares of MYR2	100	73.97	Investment holding
Dorsett Hospitality International (Singapore) Pte. Limited	Singapore	1 share of S\$1	100	73.97	Hotel management and consultancy service
Dorsett Hospitality International Services Limited	HK	2 shares of HK\$1*	100	73.97	Hotel management
Dorsett Regency Hotel (M) Sdn. Bhd.	Malaysia	5,000,000 shares of MYR1	100	73.97	Hotel operation
Double Advance Group Limited	BVI/HK	1 share of US\$1	100	73.97	Hotel operation
Double Gaining Limited	HK	1 share of HK\$1*	100	100	Administrative services
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*	100	73.97	Hotel management
Everkent Development Limited	HK	2 shares of HK\$1*	100	73.97	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

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For the year ended 31 March 2016

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	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
			2016	2015	
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
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 MYR1	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
FEC QWB Integrated Resort Holdings Limited	BVI/HK	1 share of US\$1	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 MYR1	90	90	Property development
Fortune Plus (M) Sdn. Bhd.	Malaysia	935,000 shares of MYR1	100	100	Property investment
Garden Resort Development Limited	HK	100 shares of HK\$1*	100	100	Property development
Gold Prime Group Limited	BVI	1 share of US\$1	100	100	Investment holding
Grand Expert Limited	HK	10,000 shares of HK\$1*	100	73.97	Hotel operation
Hong Kong Hotel REIT Finance Company Limited	HK	1 share of HK\$1*	100	73.97	Loan financing



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	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
			2016	2015	
Jarton Limited	HK	1 share of HK\$1*	100	100	Property development
Kuala Lumpur Land Holdings Limited	Jersey/HK	100 shares £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 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*	100	73.97	Investment holding
May21 Pty Ltd.	Australia	1 share of A\$1	100	100	Property development
Merdeka Labuan Sdn. Bhd.	Malaysia	105,000,000 MYR1	100	73.97	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
New Union Investments (China) Limited	HK	300 shares of HK\$1*	100	100	Investment holding
Panley Limited	HK	1 share of HK\$1*	100	73.97	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
Queens Wharf Holdings Limited	BVI/HK	1 share of US\$1	100	-	Investment holding
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*	100	73.97	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*	100	73.97	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

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For the year ended 31 March 2016

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	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
			2016	2015	
Star Bridge Development Limited	HK	2 shares of HK\$1*	100	100	Investment holding
Subang Jaya Hotel Development Sdn. Bhd.	Malaysia	245,000,000 shares of MYR1	100	73.97	Hotel operation
Success Range Sdn. Bhd.	Malaysia	250,000 shares of MYR1	100	73.97	Hotel operation
Tang City Holdings Pte. Ltd.	Singapore	1,000,000 shares of S\$1	100	100	Investment holding
Tang City Properties Pte. Limited	Singapore	2,600,000 shares of S\$1	100	100	Investment holding
Tang Hotel Investments Pte. Ltd.	Singapore	2 shares of S\$1	100	73.97	Investment holding and property development
Tang Skyline Pte. Ltd	Singapore	4,000,000 shares of S\$1	70	N/A	Property development
Tang Suites Pte. Ltd.	Singapore	1 share of S\$1	100	73.97	Property development
Target Term Sdn. Bhd.	Malaysia	2 shares of MYR1	100	100	Car park operation
Tantix Limited	HK	1 share of HK\$1*	100	100	Property development
Teampearl Company Limited	HK	5,001 A shares of HK\$1* 4,999 B shares of HK\$1*	100	100	Property investment
The Hotel of Lan Kwai Fong Limited	HK	10,000 shares of HK\$1*	100	73.97	Hotel operation
Tomarta Sdn. Bhd.	Malaysia	1,000,000 shares of MYR1	100	100	Property development
Tracia Limited	Isle of Man/ United Kingdom	1 share of £1	100	100	Investment holding
Venue Summit Sdn. Bhd.	Malaysia	250,000 shares of MYR1	100	73.97	Hotel operation
Vicco Development Limited	HK	2 shares of HK\$1*	100	100	Investment holding
Vicsley Limited	HK	1,000 shares of HK\$1*	100	73.97	Hotel operation
Victoria Land Pty Limited	Australia	12 share 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	100	73.97	Property management
武漢遠東帝豪酒店管理有限公司(i)	PRC	Registered and paid up capital US\$29,800,000	100	73.97	Hotel operation
遠東豪酒店管理(成都)有限公司(i)	PRC	Registered and paid up capital US\$38,000,000	100	73.97	Property development
上海帝盛酒店有限公司(iii)	PRC	Registered and paid up capital RMB500,000	100	73.97	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 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 as disclosed in note 32.

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		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2016	2015	2016	2015	2016	2015
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
Dorsett Hospitality International Limited	Cayman Islands/HK	-	26.03	(24,321)	(39,531)	-	1,003,066
Individually immaterial subsidiaries with non-controlling interests	N/A	N/A	N/A			127,123	114,213
						127,123	1,117,279

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.

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For the year ended 31 March 2016

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Dorsett Hospitality International Limited

	2015 HK\$'000
Currents assets	1,869,308
Non-current assets	7,960,889
Current liabilities	2,154,406
Non-current liabilities	3,847,180
Equity attributable to:	
Owners of the Company	2,825,545
Non-controlling interests	1,003,066
	3,828,611
Revenue	1,454,027
Profit for the year	94,352
Other comprehensive expense for the year	(265,937)
Total comprehensive expense for the year	(171,585)
Equity attributable to:	
Owners of the Company	(132,054)
Non-controlling interests	(39,531)
	(171,585)
Dividends paid to non-controlling interests	38,233
Net cash inflow from operating activities	278,255
Net cash outflow from investing activities	(438,274)
Net cash outflow from financing activities	(387,528)
Net cash outflow	(547,547)



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 activity of these subsidiaries are summarised as follows:

Principal activity	Principal place of business	Number of subsidiaries	
		2016	2015
Inactive	Canada	1	1
	Hong Kong	36	35
	Macau	1	1
	Malaysia	3	3
	PRC	4	4
	Singapore	5	4
	UK	6	6
		56	54

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	Group's interest
Shanghai	
1. 133 units of shoplots in Qiu Xintiandi Lane 809 Jinqiu Road, Baoshan District	98.2%
2. Jinqiu School, Club House, Kindergarten and Ancillary portion of Area 17I California Garden, Jinqiu Road, Baoshan District	98.2%
3. 306 car parking bays California Golden, Jinqiu Road, Baoshan District	98.2%
4. Phase 16 (remaining), 17II, California Garden, Jinqiu Road, Baoshan District	98.2%
5. Phase 12 to 15 and 18 California Garden Jinqiu Road, Baoshan District	98.2%



Approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
23,446	S	Completed	Existing
21,942	F	Completed	Existing
12,563	CP	Completed	Existing
59,973	R	Under construction	2017/2018
—	R	Planning stage	N/A

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Group's interest
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Guangzhou

1. Room 2603, Block 3 Dong-Jun Plaza 836 Dong Feng Road East	100%
2. Room 2604, Block 3 Dong-Jun Plaza 836 Dong Feng Road East	100%
3. New Time Plaza Jian SheHeng Road Yue Xiu District	50%
4. Gan Tang Yuan Huadidadao East Li Wan District	100%
5. Royal Riverside 10 Miaoqianjie North, Chajiao Li Wan District	100%

Hong Kong

1. Star Ruby Ground and 1st Floors, No. 1 San Wai Street Hung Hom	100%
2. Eivissa Crest 90-100 Hill Road West Point	100%
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	100%
4. Far East Consortium Building 204-206 Nathan Road Tsim Sha Tsui	100%
5. Fung Lok Wai, Yuen Long	25.33%
6. Various shops on LG/F and UG/F Tsuen Wan Gardens Phase 1 15-23 Castle Peak Road Tsuen Wan	100%
7. Ground and 1st Floors, Bakerview, 66 Baker Street Hung Hom	100%



Approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
91	O	Completed	Existing
91	O	Completed	Existing
21,343	R	Foundation	N/A
47,080	R	Planning stage	N/A
66,850	R	Under construction	2017/2018
1,230	S	Completed	Existing
4,132	R	Under construction	2017
2,474	O	Completed	Existing
3,549	S & O	Completed	Existing
—	R	Planning stage	N/A
3,822	S	Completed	Existing
578	S	Completed	Existing

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Group's interest
8. Sheung Yeung Sai Kung	100%
9. Route TWISK, Chuen Lung Tsuen Wan	100%
10. Tan Kwai Tsuen, Yuen Long	100%
11. Various lots, Pak Kong Sai Kung	100%
12. Yau Kam Tau, Tsuen Wan	100%
13. Basement to 5th Floor Nos. 135-143, Castle Peak Road Tsuen Wan	100%
14. Aspen Crest Nos. 68-86A Wan Fung Street Wong Tai Sin, Kowloon	100%
15. Mei Tin Road, Tai Wai, Shatin New Territories	100%
16. Junction of Shun Lung Street and Shun Cheong Street Sha Tau Kok, New Territories	100%
17. No. 229A-G Hai Tan Street, Sham Shui Po, Kowloon ⁽ⁱⁱ⁾	100%
18. 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	100%
19. Tai Po Road Sha Tin Heights Sha Tin, New Territories	100%

notes:

(i) Subject to planning permit approval.

(ii) A development project of Urban Renewal Authority, the Company has the development right of this project.



Approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
117	R	Completed	Existing
5,400	R	Under construction	N/A
4,481	R	Under construction	2017/2018
—	A	Planning stage	N/A
—	A	Planning stage	N/A
3,562	S & O	Completed	Existing
8,356	R	Under construction	2018
4,490 ⁽ⁱⁱ⁾	R	Planning stage	N/A
11,937	R	Planning stage	2019
3,637	S & R	Under development	2018 – 2019
659	O	Completed	Existing
6,428	R	Planning stage	N/A

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Group's interest
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Australia

1. Upper West Side Stage 4 313-349 Lonsdale Street Melbourne, Victoria	100%
2. The FIFTH Apartments 605-611 Lonsdale Street Melbourne, Victoria	100%
3. West Side Place 244-276 Spencer Street Melbourne Victoria	100%
4. Royal Domain Corporate 370 St Kilda Road Melbourne, Victoria	100%
5. Northbank Place — Rebecca Walk	100%
	100%
6. Brisbane Queen's Wharf Tower 4	50%
Tower 5	50%
Tower 6	50%
7. Perth The Towers at Elizabeth Quay	100%



Approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
35,629	R & S	Under construction	2017
27,081	R & S	Under construction	2018
202,000	R, S & H	Planning stage	2020/2021 and onwards
496	O	Completed	Existing
734	S	Completed	Existing
94.8	S	Completed	Existing
44.5	S	Completed	Existing
131,200	R R R	Planning stage Planning stage Planning stage	2022/2024
29,385	R	Under construction	2019

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Group's interest
Malaysia	
1. Sri Jati Service Apartments Jalan Jati, Off Jalan Imbi Kuala Lumpur	100%
2. Mukim of Kerling District of Hulu Selangor Selangor Darul Ehsan	90%
3. Dorsett Bukit Bintang Lot 470, Jalan Imbi Kuala Lumpur	100%
Singapore	
1. Alexandra View	70%
U.K.	
1. 63-69 Manilla Street & 50 Marsh Wall London E14	100%
(i) This represents site area.	



Approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
4,685	R	Completed	Existing
422,907 ⁽ⁱⁱ⁾	A	Planning stage	N/A
20,000	R	Under construction	2017
26,630	R	Planning stage	N/A
37,650	R	Planning stage	N/A

LIST OF PRINCIPAL PROPERTIES

HOTEL

Name of property and location	Group's interest
Hong Kong	
1. Cosmopolitan Hotel Hong Kong Nos. 387–397 Queen's Road East Wan Chai	100%
2. Silka West Kowloon, Hong Kong No. 48 Anchor Street Tai Kok Tsui	100%
3. Cosmo Hotel Hong Kong Nos. 375–377 Queen's Road East Wan Chai	100%
4. Lan Kwai Fong Hotel@Kau U Fong No. 3 Kau U Fong Central	100%
5. Silka Far East, Hong Kong Nos. 135–143 Castle Peak Road Tsuen Wan	100%
6. Silka Seaview, Hong Kong No. 268 Shanghai Street Yau Ma Tei	100%
7. Dorsett Mongkok, Hong Kong No. 88 Tai Kok Tsui Road Tai Kok Tsui	100%
8. Dorsett Kwun Tong, Hong Kong No. 84 Hung To Road Kwun Tong	100%
9. Dorsett Tsuen Wan, Hong Kong No. 659 Castle Peak Road Kwai Chung	100%
10. Silka Tsuen Wan, Hong Kong No. 119 Wo Yi Hop Road Kwai Chung	100%



Approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
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 construction	2017

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Group's interest
China	
1. Dorsett Grand Chengdu No. 168 Xiyulong Street Qinyang District Chengdu Sichuan Province	100%
2. Dorsett Wuhan No. 118 Jiang Han Road Hong Kong & Macau Centre Hankou Wuhan Hubei Province	100%
3. Dorsett Shanghai No. 800 Hua Mu Road Pudong New Area Shanghai	100%
4. Dorsett Zhongshan No. 107 Zhongshan Yi Road West District Zhongshan Guangdong Province	100%
5. Lushan Resort Wenguan Zhen Xingzi Xian Jiujiang City Jiangxi Province	100%
Overseas	
1. Dorsett Regency Kuala Lumpur 172, Jalan Imbi 55100 Kuala Lumpur Malaysia	100%
2. Dorsett Grand Subang Jalan SS 12/1, 47500 Subang Jaya Selangor Darul Ehsan Malaysia	100%



Approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
67,617	H	Completed	Existing
67,307	H	Completed	Existing
18,149	H	Completed	Existing
42,635	H	Under development	2018
35,220	H	Completed	Existing
27,753	H	Completed	Existing
43,264	H	Completed	Existing

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Group's interest
3. Dorsett Grand Labuan 462, Jalan Merdeka, 87029 Federal Territory of Labuan Malaysia	100%
4. Silka Maytower Hotel & Serviced Residences No. 7, Jalan Munshi Abdullah, 50100 Kuala Lumpur	100%
5. Silka Johor Bahru Lot 101375 Jalan Masai Lama Mukim Plentong Johor Bahru State of Johor	100%
6. Dorsett Singapore 333 New Bridge Road Singapore	100%
7. Dorsett Shepherds Bush, London 58 Shepherd's Bush Green London	100%
8. Dorsett City, London 9 Aldgate High Street London	100%
9. Dorsett Shepherds Bush 2, London 56 Shepherd's Bush Green London	100%
10. Ritz-Carlton Tower 1, West Side Place	100%
11. Ritz-Carlton Elizabeth Quay, Perth	100%
12. 4 Hotels in Queen's Wharf Brisbane	25%



Approximate floor area (m ²)	Types of property	Stage of completion	Expected completion (financial year)
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
35,360	H	Under development	2020
–	H	Under development	2019
89,130	H	Under development	2022

LIST OF PRINCIPAL PROPERTIES

CAR PARK PROPERTY

Name of property and location	Group's interest
Australia	
1. 12 Blyth Street/13-19 Bank Street Adelaide, South Australia Australia	76.05%
2. 12 Blyth Street/13-19 Bank Street Adelaide, South Australia Australia	76.05%
3. Central Square 1 Dana Street Ballarat, Victoria Australia	76.05%
4. Fenton Street Devonport, Tasmania Australia	76.05%
5. Gasworks Willis Street Launceston, Tasmania Australia	76.05%
6. Hub Arcade 15-23 Langhorne Street Dandenong, Victoria Australia	76.05%
7. 133 Melville Street Hobart, Tasmania Australia	76.05%
8. 2-6 Mundy Street Bendigo, Victoria Australia	76.05%
9. Northbank Place 507-581 Flinders Street Melbourne, Victoria Australia	76.05%



Site area/ no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
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	Group's interest
10. Quadrant Plaza (Dell Lane) 94 York Street Launceston, Tasmania Australia	76.05%
11. Quadrant Plaza 94 York Street Launceston, Tasmania Australia	76.05%
12. 344 Queen Street Brisbane, Queensland Australia	76.05%
13. 15 Roper Street Adelaide, South Australia Australia	76.05%
14. 14 Stewart Street Shepparton, Victoria Australia	76.05%
15. 360 St Kilda Road Melbourne, Victoria Australia	76.05%
16. Toorak Place 521 Toorak Road Toorat, Victoria Australia	76.05%
17. 9-23 Watchorn Street Hobart, Tasmania Australia	76.05%
18. Watergate 767 Bourke Street Docklands, Victoria Australia	76.05%
19. York Street Central 124 York Street Launceston, Tasmania Australia	76.05%
20. 109, 8-9 Yarra Street, South Yarra, Victoria Australia	76.05%
21. Festival Car Park 45 Charlotte Street Brisbane, Australia	19.0125%



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

LIST OF PRINCIPAL PROPERTIES

Name of property and location	Group's interest
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Malaysia

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

New Zealand

- | | |
|--|--------|
| 1. Knox Street,
41 Hood Street,
Hamilton | 76.05% |
| 2. 16 Mowbray Street,
Wellington | 76.05% |
| 3. 70 Tory Street
Wellington | 76.05% |



Site area/ no. of car parking bay	Types of property	Stage of completion	Expected completion (financial year)
58,125 m ² / 1,750 car parking bays	CP	Completed	Existing
5,040 m ² / 414 car parking bays	CP	Completed	Existing
3,448 m ² / 443 car parking bays	CP	Completed	Existing
1,532 m ² / 53 car parking bays	CP	Completed	Existing
473 car parking bays	CP	Completed	Existing

GLOSSARY

“2016 AGM”	the forthcoming annual general meeting of the Company to be held on Thursday, 26 August 2016 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 “A\$”	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, incorporated in the Cayman Islands and withdrew from listing on the Main Board of the Hong Kong Stock Exchange, a wholly-owned subsidiary of the Company.
“Dorsett Group”	Dorsett and its subsidiaries.
“Dorsett Share Option Scheme”	the share option scheme of Dorsett was adopted on 10 September 2010.
“EPS”	Earnings per share
“EUR”	Euro, the lawful currency of the eurozone.
“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”	Fair Value through Profit or Loss.
“FY”	Financial Year.
“GBP” or “£”	pounds sterling, the lawful currency of the United Kingdom.
“GDV”	gross development value
“GFA”	gross floor area
“Group”	the Company and its subsidiaries.
“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” or “CO”	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.
“JPY”	Japanese Yen, the lawful currency of Japan.
“LIBOR”	London Interbank Offered Rate.
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.
“m²”	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.
“MPF Scheme”	Mandatory Provident Fund Scheme.
“NAV”	net asset value.
“PBOC”	People’s Bank of China.
“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.

GLOSSARY

“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.
“SFA”	saleable floor area
“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 of the Company.
“UK”	the United Kingdom.
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America.
“Year” or “FY2016”	the financial year of the Company from 1 April 2015 to 31 March 2016.
“%”	per cent.

This annual report, in both English and Chinese versions, is available on the Company’s website at www.fecil.com.hk.

Shareholders who have chosen to receive the corporate communications of the Company (the “Corporate Communications”) in either English or Chinese version may request for a copy in the other language. The annual report in the requested language will be sent free of charge by the Company upon request.

Shareholders may at any time change their choice of language(s) (either English only or Chinese only or both languages) of the Corporate Communications.

Shareholders may send their request to change their choice of language(s) of Corporate Communications by notice in writing to the Company’s branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.



遠東發展有限公司

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