遠東發展有限公司

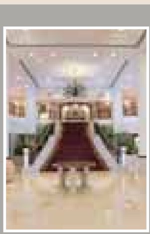
Far East Consortium International Limited

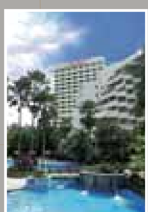
Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立之有限公司
Stock Code 股份代號：035

2013 ANNUAL REPORT
年報

UNITED KINGDOM

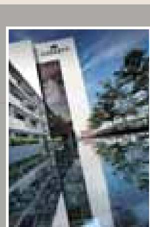
- Two hotels under development





MALAYSIA

- Property development
- Five operational hotels
- Car park operations

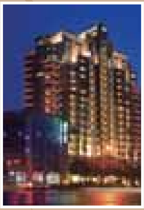


SINGAPORE

- Property development
- Investment properties
- One operational hotel

DIVERSIFIED AND BALANCED PORTFOLIO OF BUSINESSES

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

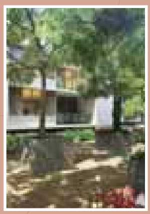


CHINA

- Property development
- Investment properties
- Three operational hotels and two hotels under development

HONG KONG

- Property development
- Investment properties
- Ten operational hotels and two hotels under development



AUSTRALIA AND NEW ZEALAND

- Property development
- Investment properties
- Car park operations

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTOR

Daniel Tat Jung CHIU

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

EXECUTIVE COMMITTEE

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

MANAGING DIRECTOR

Chris Cheong Thard HOONG

CHIEF OPERATING OFFICER

Denny Chi Hing CHAN

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Boswell Wai Hung CHEUNG

AUTHORISED REPRESENTATIVES

David CHIU
Boswell Wai Hung CHEUNG

LEGAL ADVISORS

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

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

PRINCIPAL BANKERS

HONG KONG

Cathay United Bank Company, Limited
China Citic Bank International Limited
Chong Hing Bank Limited
Dah Sing Bank, Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China
(Asia) Limited
Nanyang Commercial Bank, Limited
Public Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking
Corporation Limited
Wing Hang Bank, Limited

MALAYSIA

AmBank (M) Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad

SINGAPORE

The Hongkong and Shanghai Banking
Corporation Limited

AUSTRALIA

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

MAINLAND CHINA

Agricultural Bank of China Limited
China Construction Bank Corporation
DBS Bank (China) Limited
HSBC Bank (China) Company Limited
Shanghai Pudong Development Bank
Company, Limited
Shanghai Rural Commercial Bank Co., Ltd.
Wing Hang Bank (China) Limited

PLACE OF INCORPORATION

Cayman Islands

REGISTERED OFFICE

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

PRINCIPAL OFFICE

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

SHARE REGISTRAR

Tricor Standard Limited
26th Floor, Tesbury Centre,
28 Queen's Road East,
Wanchai,
Hong Kong

LISTING INFORMATION

Ordinary Shares (Code: 035)
Convertible Bonds 2015 (Code: 4317)
5.875% CNY Bonds 2016 (Code: 85915)
The Stock Exchange of Hong Kong Limited

WEBSITE

http://www.fecil.com.hk

Note: This annual report was originally prepared in English and was subsequently translated into Chinese. In the event of any inconsistency between the 2 versions, the English version shall prevail.

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

Midtown at Upper West Side, Melbourne

This year has been the most satisfying year of development for Far East Consortium International Limited (the "Company") and its subsidiaries (together the "Group") since my return to the management board of the Company in the year of 2000. Not only did the Group achieve record revenue and net profit, we also made tremendous progress in business development.

Since my return, the Group has achieved remarkable expansion of the hotel business in Hong Kong and the Asia Pacific region, with significant growth in net asset base year after year. Following the spin-off of the hotel division, Dorsett Hospitality International Limited ("Dorsett") in 2010, the hotel division has continued to grow. Today, I believe Dorsett, with its dedicated management team and strong track record of development, will be able to maintain a healthy expansion in the future.

As our hotel business grew, the Group's net asset backing and recurring income stream increased. However, due to the inherent nature of the hotel business, sales of assets were low. A few years ago, we started to reposition the Group by enlarging the property development division, which adopts a "build-to-sell" model.

Leveraging on our hotel development experience, we focus on building small size and well-designed one or two bedroom apartments, which are affordable to the first time home buyers in Asia, where the number of young families is growing. Our portfolio is diversified in different countries across Asia, namely Hong Kong, China, Malaysia and Australia in order to take advantage of different cycles in different regions. This requires a lot of hard work from the management team, but ensures that we are well placed to capitalize on opportunities to drive future revenue in a sustainable and balanced manner, whilst optimizing growth at the same time. To reduce development risk, we seek to pre-sell our projects to a considerable extent.

In the year ended 31 March 2013, we began to see the fruit of our success. The Group delivered a year of strong growth with substantial cash inflow from operations, enabling us to continue to invest in organic expansion, as well as rewarding our shareholders with a dividend increase. During the year, the Group made a number of value accretive acquisitions in Hong Kong and Australia, which set a foundation for major contributions in the years ahead.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT (CONTINUED)

Dorsett Residences, Singapore

Sevilla Crest showroom, Hong Kong

The middle class population in China has grown substantially in the past ten years and is projected to grow significantly in the next decade. Hong Kong, being a major destination for Chinese outbound visitors, will continue to benefit. More than ever before, I believe our continued focus on the 3-4 star hotel segments is right. We will continue to adopt the "Chinese Wallet" strategy where we focus on Chinese outbound travelers. Recognising the potential of greater competition due to an increase in the supply of hotel rooms in the sector, we will continue to remain vigilant and selective in our investment. In mainland China, we will focus our efforts on acquiring distressed hotel assets in strategic cities only.

One of our strengths is our experienced hotel development team. Through years of experience in designing and developing hotels, we have gained a wealth of valuable knowledge. We are now able to deliver quality hotel products at a highly competitive cost in comparison with other hotel operators. We have also accumulated significant revaluation surplus in our hotel portfolio. As a result, I believe our ability to withstand a downturn in the economy is superior to other operators.

Mainland China, having been a major engine of growth in the global economy, is now showing signs of consolidation, with the government implementing policies to address a number of imbalances. Although this represents a slow down in economic growth in the short term, I firmly believe the government actions are essential to achieve sustainable long term growth for the country. Hong Kong's property market is inevitably affected by the recent government tightening measures. Although certain segments of the market will be impacted, I believe there is still a strong demand in the residential sector at a price point below HK$8 million per apartment. With our current strong liquidity position, I believe we can benefit from increased land supply from the government in the next two to three years. Whilst being aggressive in bidding for new sites, the Group will remain conservative in pricing. We will be proactive in capturing development opportunities in Hong Kong to add to our existing pipeline.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT (CONTINUED)

In Australia, Singapore and Malaysia, where we have an established presence, I believe demand for our affordable high rise residential products will remain healthy. Our presale strategy can help reduce development risks substantially and we will continue to adopt a prudent approach.

Though the medium-term outlook remains challenging, I am confident that we can address these challenges in a corporate culture where we are supportive of each other and where we share a common long term goal.

To conclude, I remain positive on the long term prospects of the Group and I believe the Group is making good progress in establishing a strong foundation to deliver a satisfactory long term return to our shareholders. We will continue to enlarge our production capacity and increase our management team to sustain our growth.

While we are very focused on growing our business, we continue to be mindful of our corporate social responsibility. I am delighted to announce that our Employee Emergency Fund and Dorsett Scholarship Program for employees' children of Dorsett was approved during the year.

Our good results are a reflection of the quality and effort of our employees across the region from senior management to the team members of each department. On behalf of the Board, I would like to thank all of them for their continued contribution and commitment to the Group.

Upper West Side, Melbourne

David CHIU
Chairman and Chief Executive Officer

MANAGING DIRECTOR'S REPORT

Midtown at Upper West Side, Melbourne

The financial year ended 31 March 2013 ("FY 2013") was a significant year of development for Far East Consortium International Limited and its subsidiaries. Good progress was made on both property development and hotel divisions with substantial increase in sales and net profit.

On a consolidated basis, the Group's revenue and net profit for FY 2013 reached approximately HK$3.7 billion and HK$903 million respectively, representing an increase of 111.9% and 101.5% respectively as compared with last financial year. We are pleased to see that the Company produced another record year in FY 2013.

On 25 July 2012, the Company completed the repurchase of 230 million ordinary shares of the Company ("Shares") (representing 11.7% of the issued share capital before the repurchase) at the price of HK$1.23 per Share creating a significant enhancement in net asset value per Share. Adjusting for the revaluation surplus of approximately HK$9.5 billion over the carrying value of Dorsett Group's hotel portfolio which was not recorded in the Company's consolidated statement of financial position, net assets per Share increased 26.1% from HK$6.70 as at 31 March 2012 to HK$8.45 as at 31 March 2013.

Earnings per Share reached HK$0.50 (up 117.4% as compared with last financial year) and a final dividend of HK$0.11 per Share is recommended (up 120% as compared with last year). Including the interim dividend, dividend for the year will total HK$0.13 per Share (2012: HK$0.06).

PROPERTY DEVELOPMENT DIVISION

During the FY 2013, we have continued our efforts to further build up our pipeline and replenish our land bank. In November 2012, the Company acquired 90% ownership of a residential redevelopment site in Wong Tai Sin, Kowloon. A total of approximately 91,000 square feet ("sq. ft.") in gross floor area ("GFA") is expected to be added to our development portfolio in Hong Kong. The Group now has more than 94% ownership of the site and is still in the process of acquiring the remaining stake.

Sevilla Crest, Hong Kong

Star Ruby, Hong Kong

MANAGING DIRECTOR'S REPORT (CONTINUED)

More recently the Company acquired a new site in Melbourne located at 605-611 Lonsdale Street in April 2013 adjacent to our Upper West Side project, at the price of approximately AUD10 million. The Group's intention is to add another residential tower to the development. This tower will create synergies to the current Upper West Side development and will benefit the overall development. In addition, the Group also entered into a contract to acquire a site located across the Upper West Side development in June 2013 with a site area of approximately 1.176 hectare. Currently, the site has a planning permission for approximately 2.2 million sq. ft. in GFA of residential development. We expect completion of the acquisition to be in April 2014 and it will enlarge our development pipeline by 20%.

During the year, the Group continued to launch a number of property development projects for presales across Hong Kong, Shanghai, Singapore and Melbourne. As at 31 March 2013, the cumulative contracted presales of properties of the Group amounted to approximately HK$4.9 billion after booking significant sales from stage 1 of Upper West Side following completion of the project.

At present, it is expected that a total of 4 to 6 new residential projects will be launched in this current financial year. These projects are located in Guangzhou, Shanghai, Hong Kong and Malaysia. Among these, we have launched Sevilla Crest in Sai Yeung Choi Street North, Sham Shui Po, Hong Kong consisting of approximately 39,000 sq. ft. in GFA and "Midtown at Upper West Side", Stage 3 of Upper West Side consisting of 282 apartments. Other new residential development projects planned for launch include projects in Guangzhou (Huadijiayuan), Shanghai (California Garden), Hong Kong (Hill Road, West Point) and Malaysia (Lot 470, Jalan Imbi, Kuala Lumpur). In total, the Group has 12 projects of approximately 5.4 million sq. ft. in GFA currently under various stages of development across the regions with completion scheduled in the coming three financial years.

On land bank replenishment, we will continue to look for new sites in locations where we have an existing presence.

HOTEL DIVISION

The Group, through its 73.25% owned subsidiary, Dorsett Hospitality International Limited, (previously known as Kosmopolito Hotels International Limited and together with its subsidiaries, the ("Dorsett Group") listed on the Stock Exchange of Hong Kong (HKSE Stock Code: 2266), operates hotels in Hong Kong, Malaysia, mainland China, United Kingdom and Singapore. The Group has continued to make progress on new hotel additions and will increase the number of hotel rooms under its operation to over 7,000. Dorsett Kwun Tong which was opened in August 2012 started to make good contribution to Dorsett. In August 2012, Dorsett Grand Chengdu in Chengdu, mainland China started trial operation. Recently, Dorsett Singapore started trial operation and for the remaining of this financial year, we expect Dorsett Tsuen Wan and Dorsett Shepherds Bush, London

MANAGING DIRECTOR'S REPORT (CONTINUED)

will be opened. On site acquisition, Dorsett completed the acquisition of "Big Orange" in April 2012. In October 2012, we completed the acquisition of another hotel site in London (Aldgate) to add to the existing site at Shepherds Bush, London.

The Group has continued to prove its capability of recycling its capital tied up in hotel development. Following the sale of Central Park Hotel in FY 2012 and the Mercer in FY 2011, in September 2012, Dorsett Group sold a subsidiary holding Dorsett Regency Hotel, Hong Kong recognizing a gain on disposal before minority interests of approximately HK$458 million.

The operational performance of hotel division continued to record steady growth in FY 2013. For FY 2013, the revenues from hotel operations amounted to approximately HK$1,153 million, represented an increase of 5.2% as compared with last financial year. Net profit was approximately HK$647 million, up 7.0% from the previous year.

Approximately 64.6% of Dorsett's revenues was generated from Hong Kong, which has benefited from the increase in the number of tourists from mainland China in recent years. The Group expects Hong Kong will continue to be a significant contributor whilst overseas and mainland China operations will grow as new hotels become operational.

Through Dorsett, the Group's 68 serviced apartments in Singapore, namely *Dorsett Residences*, the residential component of the larger Dorsett Hotel development is near completion. The Group expects this will be booked in FY 2014.

Following the successful completion of a CNY850 million 5-year bond issue in April 2013, Dorsett is in a good financial position to add new room capacity to its pipeline. It is actively looking at new opportunities and will grow its pipeline in a selective and prudent manner. Dorsett is expected to continue to be a significant contributor to Group's results.


California Garden, Shanghai


Dorsett Shepherds Bush, London

MANAGING DIRECTOR'S REPORT (CONTINUED)

CAR PARK DIVISION

The car park division continued to make steady contribution to the Group with revenue reaching approximately HK$567 million during the FY 2013, representing an increase of 5.6% as compared with the previous year. As at end of the FY 2013, the Group managed more than 270 car parks, consisting of a car park management portfolio of about 50,000 car park bays, primarily located in Malaysia, Australia and New Zealand. In FY 2013, we added 25 car parks consisting of 900 car park bays to the portfolio under the Group's management.

On 30 May 2012, the Group acquired 2.3% of the total issued share capital of Care Park Group Pty. Ltd. ("Care Park") from the minority shareholders. Following the transaction, the Group increased its shareholding in Care Park to 76.05%.

With a steady increase in the number of car park bays under management, the car park business is expected to continue to deliver stable income and cash flow streams to the Group. We will continue to look for acquisition opportunities and expand third party management operations and develop its "Care Park" brand in Australia and New Zealand.

INVESTMENT PROPERTY

The Group's investment property portfolio comprises mainly retail and office buildings in Shanghai, Hong Kong and Singapore. For the FY 2013, rental revenues from the Group's property investment amounted to approximately HK$62 million. The division has provided a stable and recurrent source of income to the group over the years.

The Group has been streamlining its investment property portfolio to focus on larger assets and disposing of non-core assets. In May 2012, the Group disposed of an investment property consisting of 51 strata units in Parkway Centre in Singapore provided additional capital for the Group's future expansion. Recently the Group accepted an offer from the government of Singapore for a compulsory acquisition of the Group's interest in Pearl Centre in Singapore with a total consideration of approximately SG$89 million. The Group is expected to record a gain of approximately SG$33 million (equivalent to approximately HK$206 million) attributable to the shareholders of the Company in the transaction. The sale will also provide additional cash flows to the Group to enable it to redeploy its resources to other value-accretive investment opportunities. As we build out Upper West Side, the retail units will be leased out. The Group's intention is to keep the retail component of Upper West Side for income purposes and will reclassify the units as investment properties. The Group's investment property portfolio will continue to provide a stable source of recurring cashflow to the Group.

MANAGING DIRECTOR'S REPORT (CONTINUED)

FINANCIAL MANAGEMENT, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

On 4 March 2013, the Company raised CNY1 billion in its debut bond offering closely followed by Dorsett's issue of 5-year bonds raising CNY850 million on 3 April 2013. Through these successful bond offerings, the Group has established its credit profile in the international debt capital market and gained good market recognition.

At present, the Group is in a strong liquidity position. With additional cashflow arising from the completion of its residential development projects across the region, the Group's warchest for acquisition will strengthen further.

On the Group's capital structure, we will seek to have a diverse funding source of bank debt, bond and equity whilst maintaining a healthy gearing level. As at 31 March 2013, the net debt to equity ratio was at 25.4% adjusting for hotel revaluation surplus of approximately HK$9.5 billion.

In June 2013, Dorsett signed a new 5 year loan facility to refinance its HK$1.75 billion syndicated loan due in September 2013. Upon the refinancing, 4 hotel assets will become unencumbered. The Group will maintain a prudent approach in capital management going forward.

OUTLOOK

Global economies are expected remain challenging although there are signs of recovery in the US economy. Tightening measures targeted at the property sector in mainland China, Hong Kong and Singapore are affecting overall market sentiment. However, the Group believes that the fundamental demand for mass market residential housing in these regions remains strong. We will continue with the presale program of our pipeline projects to lock in revenue for future years. We will also strive to add new projects to our pipeline and are actively seeking opportunities in Asia. Our aim is to achieve a sustainable long term growth in earnings through constant replenishment of our land bank.

On hotel division, room supply in Hong Kong is expected to increase. However, occupancy rate is likely to be supported by continued growth in inbound, specifically from mainland China as the country's consumer spending continue to increase and the Renminbi remains strong versus other currencies. With the stabilization in operation of newly opened hotels and the additional new hotels in this financial year, we expect the Group's growth for the hotel division is likely to come from room additions.

In conclusion, Group's foundation for growth is good. I firmly believe that the Group can continue to bring long term growth to our shareholders.

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

With regard to Tan Sri Dato' David CHIU's devotion to the community services, he is a trustee member of "The Better Hong Kong Foundation" and the former chairman of "The Festival Celebration for the Chinese People's Liberation Army Force" in Hong Kong. He is also a member of the "Concerted Efforts Resource Centre", a member of "Hong Kong General Chamber Commerce", a member of the "Constitutional Reform Synergy" and a member of "The Real Estate Developers Association of 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 is the brother of Mr. Dennis CHIU (Executive Director of the Company) and Mr. Daniel Tat Jung CHIU (Non-executive Director of the Company).

Mr. Chris Cheong Thard HOONG, B. ENG., ACA

(Executive Director and Managing Director)

Mr. HOONG, aged 44, 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: 8161). 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 finance business in Asia. Mr. HOONG is a director of various subsidiaries of the Company. He is also a non-executive director of Dorsett Hospitality International Limited (stock code: 2266, a subsidiary of the Company), a director of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange and a non-independent and non-executive director of Land & General Berhad, a company listed on the Bursa Malaysia.

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

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Mr. Denny Chi Hing CHAN

(Executive Director and Chief Operating Officer)

Mr. CHAN, aged 49, was appointed as an Executive Director of the Company in August 2012. He has been the Group's Chief Operating Officer since March 2004. He is responsible for the Hong Kong and the mainland China based activities with emphasis on the commercial management, property and hotel development and investment, and project development. He also leads the sales and marketing team to oversee the strategy planning on the real estate business in Hong Kong and mainland China. He joined the Company in 1990 as the Group Chief Accountant and promoted as the Group Financial Controller in 2002. From 1990 to 2003, he was responsible for the Group's financial, treasury and accounting functions. He has extensive experience in accounting and auditing of Hong Kong listed companies. Mr. CHAN is a director of various subsidiaries of the Company. He is a non-executive director of Dorsett Hospitality International Limited (stock code: 2266, a subsidiary of the Company) and an independent non-executive director of Hidili Industry International Development Limited (stock code: 1393).

Prior to joining the Group, he was an audit manager of a big four international accounting firm with over ten years of audit experience. Mr. CHAN became a member of the Hong Kong Institute of Project Management since February 2011 and a fellow member of the Hong Kong Institute of Directors since February 2013.

Mr. Dennis CHIU, B.A.

(Executive Director)

Mr. CHIU, aged 54, was appointed as an Executive Director of Far East Consortium Limited (the predecessor of the Company) in 1978. He has been actively involved in the business development in the mainland China, Singapore and Malaysia. Mr. CHIU is a non-executive director of Fortune Oil PLC, a company listed on the stock exchange in London and a director of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange. He is the brother of Tan Sri Dato' David CHIU (Executive Director of the Company) and Mr. Daniel Tat Jung CHIU (Non-executive Director of the Company).

Mr. Craig Grenfell WILLIAMS, B.ENG. (CIVIL)

(Executive Director)

Mr. WILLIAMS, aged 61, 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 and a director of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange.

Mr. Daniel Tat Jung CHIU

(Non-executive Director)

Mr. CHIU, aged 52, was appointed as a Director of Far East Consortium Limited (the predecessor of the Company) in 1984. He has extensive experience in mainland China trade, petroleum trading and infrastructure investments. He also takes an active part in several kinds of projects in Hong Kong and mainland China. Mr. CHIU is the major shareholder and vice chairman of Fortune Oil PLC, a company listed on the stock exchange in London. He is the founder of Harrow International School. He is the brother of Tan Sri Dato' David CHIU (Executive Director of the Company) and Mr. Dennis CHIU (Executive Director of the Company).

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Mr. Kwok Wai CHAN

(Independent Non-executive Director)

Mr. CHAN, aged 54, was appointed as an Independent Non-executive Director of the Company in November 2005. He is a member of The Hong Kong Securities Institute and an associate member of CPA Australia. Mr. CHAN is a director of High Progress Consultants Limited and also an independent non-executive director of Chinese Estates Holdings Limited (stock code: 127), China Investments Holdings Limited (stock code: 132), Tern Properties Company Limited (stock code: 277) and National Electronics Holdings Limited (stock code: 213).

Mr. Peter Man Kong WONG, J.P.

(Independent Non-executive Director)

Mr. WONG, aged 64, 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 38 years of experience in industrial, commercial and public service. Mr. WONG is the chairman of M.K. Corporation Limited and North West Development Limited. 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. Kwong Siu LAM

(Independent Non-executive Director)

Mr. LAM, aged 79, was appointed as an Independent Non-executive Director of the Company in September 2011. He was a delegate of the 10th National People's Congress. He 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, CITIC International Financial Holdings Limited since September 1996, and China CITIC Bank International Limited (formerly known as "CITIC Ka Wah Bank Limited") since January 2002. He is an independent non-executive director of China Overseas Land & Investment Limited (stock code: 688), Fujian Holdings Limited (stock code: 181), Xinyi Glass Holdings Limited (stock code: 868) and Yuzhou Properties Company Limited (stock code: 1628). Mr. LAM was awarded the HKSAR Silver Bauhinia Star in 2003. He has more than 50 years of banking experience.

Mr. Boswell Wai Hung CHEUNG

(Chief Financial Officer and Company Secretary)

Mr. CHEUNG, aged 42, joined the Company as Chief Financial Officer and Company Secretary in September 2010. He is responsible for all financial functions, company secretarial compliances and investors' relationship of the Company. Currently, he is also a director of Care Park Group Pty. Ltd., a subsidiary of the Company, and an audit committee member of AGORA Hospitality Group Co., Ltd., a company listed on the Tokyo Stock Exchange.

Prior to joining the Company, Mr. CHEUNG was chief operating officer and company secretary of Fook Woo Group Holdings Limited (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.

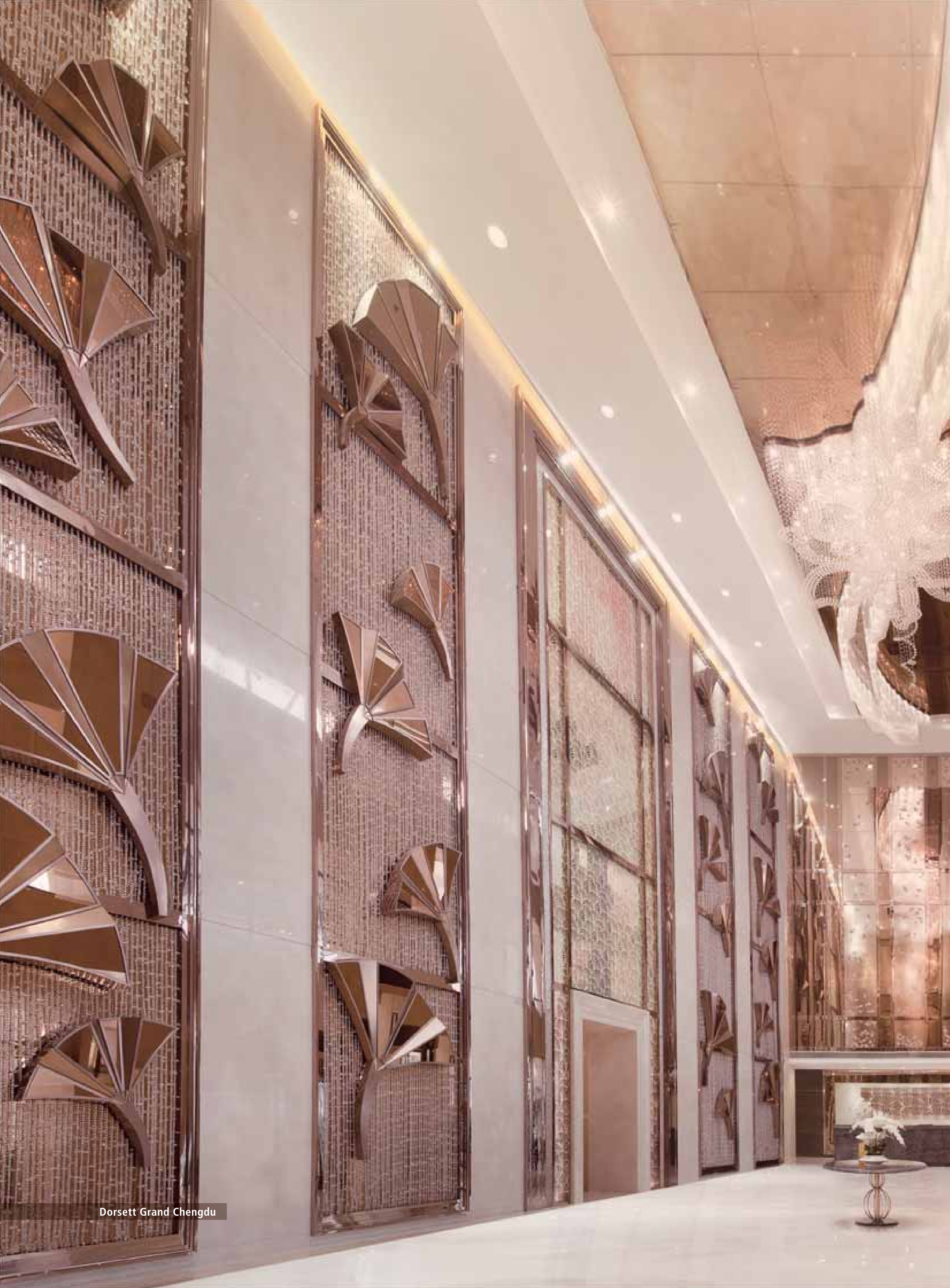
Mr. CHEUNG graduated in Scotland with a Bachelor's degree in Accounting in 1992, obtained a Master degree of Business Administration from University of Leicester in England in 1995 and a Master degree of Professional Accounting in 2007. Mr. CHEUNG is a Chartered Marketer of the Chartered Institute of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

FIVE-YEAR
FINANCIAL SUMMARY

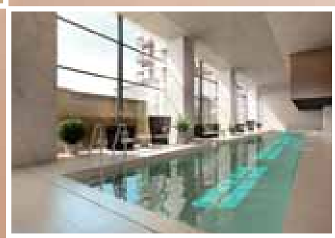
	For the year ended 31 March				
	2009	2010	2011	2012	**2013**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
RESULTS					
Revenue	1,732,841	2,342,235	1,654,446	1,760,951	**3,732,172**
Profit before taxation	221,947	492,856	555,029	717,656	**1,023,979**
Income tax credit (expense)	(116,847)	(134,484)	(108,548)	(103,131)	**54,391**
Profit for the year	105,100	358,372	446,481	614,525	**1,078,370**
Earnings per Share	5 cents	18 cents	21 cents	23 cents	**50 cents**

	At 31 March				
	2009	2010	2011	2012	**2013**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
ASSETS AND LIABILITIES					
Total assets	10,514,725	13,135,051	15,168,734	16,393,315	**19,418,094**
Total liabilities	(5,631,389)	(6,913,272)	(7,249,941)	(7,893,306)	**(10,267,634)**
	4,883,336	6,221,779	7,918,793	8,500,009	**9,150,460**
Minority interests	(30,456)	(95,780)	(892,205)	(1,048,389)	**(1,137,930)**
Shareholders' funds	4,852,880	6,125,999	7,026,588	7,451,620	**8,012,530**

Note: The figures for the prior year 2009/10 have been restated pursuant to the adoption of the applicable Hong Kong Financial Reporting Standards.



Dorsett Grand Chengdu



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- Revenue increased by 111.9% to approximately HK$3.7 billion.
- Net profit attributable to Shareholders increased by 101.5% to approximately HK$903 million. Earnings per Share increased by 117.4% to HK$0.50.
- Net assets attributable to Shareholders increased from HK$3.80 per Share to HK$4.53 per Share. Adjusting for hotel revaluation surplus, net assets attributable to Shareholders as at 31 March 2013 came to HK$8.45 per Share[i].
- Net gearing ratio was at 25.4%[i] and cash position was at approximately HK$3.2 billion as at 31 March 2013.
- Final dividend of HK$0.11 per Share was recommended for the year ended 31 March 2013 (2012: HK$0.05 per Share).
- Contracted presale value of properties under development amounted to approximately HK$4.9 billion as at 31 March 2013 after booking substantial revenue from property development.

Note:

(i) Revaluation surplus on hotel assets of approximately HK$9,459 million as at 31 March 2013 was not recognized in the Company's consolidated financial statements, but adjusted for calculation of net asset value per Share and the net gearing ratio.

FINANCIAL REVIEW

1. ANNUAL RESULTS

The Company's consolidated revenue for the financial year ended 31 March 2013 was approximately HK$3,732 million, an increase of 111.9% as compared with last financial year. Revenue from property development business amounted to approximately HK$1,946 million for the financial year ended 31 March 2013, a substantial increase as compared with last financial year. This was mainly due to the completion of Stage 1 of Upper West Side project in Australia and an increase in sales of the remaining apartments at Bakerview, Hong Kong during the financial year. Hotel operation and car park business contributed revenue of approximately HK$1,153 million and HK$567 million respectively, an increase of 5.2% and 5.6% respectively as compared with last financial year. Revenue from investment properties was approximately HK$62 million, a decrease of 7.1% as compared with last financial year due to a disposal of an investment building during the year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Dorsett Singapore

Gross profit of the Company for the financial year ended 31 March 2013 was approximately HK$1,027 million, an increase of 21.1% as compared with last financial year. The increase was mainly due to increase in sales of residential properties of Stage 1 of Upper West Side in Australia and continued growth in hotel and car park operations.

Net profit attributable to shareholders of the Company ("Shareholders") for the financial year ended 31 March 2013 amounted to approximately HK$903 million, an increase of 101.5% as compared with last financial year. The major reasons for the increase were: (i) completion of Stage 1 of Upper West Side in Australia; (ii) gain on disposal of a subsidiary holding Dorsett Regency Hotel, Hong Kong located at Kennedy Town, Hong Kong; (iii) growth in hotel operating performance; (iv) increase in gain on fair value of investment properties; and (v) write back of an over provision of land appreciation tax.

2. LIQUIDITY AND FINANCIAL RESOURCES

	As at 31 March 2013	
	Dorsett HK$ million	Consolidated Group HK$ million
Bank loans, convertible bonds and borrowings	3,871	7,900
Bank and cash balances	882	3,167
Net debt	2,989	4,733
Carrying amount of total equity	3,786	9,150
Add: hotel revaluation surplus	9,459	9,459
Total equity	13,245	18,609
Net gearing ratio (net debt to total equity)	22.6%	25.4%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As at 31 March 2013, the Company's total consolidated equity amounted to approximately HK$9,150 million, an increase of 7.7% as compared with that as at 31 March 2012. Dorsett recorded a revaluation surplus of approximately HK$9,459 million over the carrying value of its hotel portfolio as at 31 March 2013. This surplus was not recognized in the Company's consolidated statement of financial position. Taking into account the hotel assets revaluation surplus, Dorsett's net gearing ratio was 22.6% and the net gearing ratio of the Group was 25.4%.

On 4 March 2013, the Company issued a 3-year bond due in 2016 with an aggregate principal amount of CNY1 billion at a fixed rate of 5.875% per annum. The Company entered into CNY/USD cross currency swap contracts in relation to the bond and was able to reduce the effective interest rate to approximately 4.67% per annum. The net proceeds of the issue, after deduction of commission and administrative expenses, amounted to approximately CNY988 million (approximately HK$1.24 billion). The Group intends to use the amount raised for business development and general corporate purposes.

3. REPURCHASE OF 230 MILLION SHARES AT HK$1.23 PER SHARE

In July 2012, the Company completed the repurchase of 230 million shares (11.7% of the issued share capital before the repurchase) of the Company and the repurchased Shares were cancelled. The share repurchase contributed to a significant enhancement in NAV per Share as shown in (4) below.

4. NET ASSET VALUE

	As at 31 March 2013 HK$ million	As at 31 March 2012 HK$ million
Equity attributable to shareholders of the Group	**8,013**	7,452
Add: Hotel revaluation surplus (adjusted for minority shareholders' interests)	**6,929**	5,677
Total net asset value	**14,942**	13,129
No. of Shares issued ("million")	**1,769**	1,960
Net asset value ("NAV") per Share	**HK$8.45**	HK$6.70

Adjusting for revaluation surplus on hotel assets as at 31 March 2013 of approximately HK$9,459 million (HK$7,750 million as at 31 March 2012) and minority shareholders' interests, NAV per Share as at 31 March 2013 was approximately at HK$8.45. This represents HK$1.75 per Share increase in NAV during the year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

5. CAPITAL COMMITMENTS

	2013 **HK$'000**	2012 HK$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	**768,622**	585,760
Others	**12,180**	4,421
	780,802	590,181
Capital expenditure authorised but not contracted for in respect of:		
Development and refurbishment of hotel properties	**27,673**	319,593
Others	**16,474**	19,274
	44,147	338,867
	824,949	929,048

6. SUBSEQUENT EVENTS

(i) Bond issue by Dorsett

On 3 April 2013, Dorsett issued a 5-year bond due in 2018 with an aggregate principal amount of CNY850 million at a fixed rate of 6% per annum. Dorsett also entered into CNY/USD cross currency swap contracts in relation to the bond with the effect of lowering the effective interest rate to approximately 4.97% per annum. The net proceeds of the issue, after deduction of commission and administrative expenses, amounted to approximately CNY840 million (approximately HK$1.05 billion) and it is intended that the proceeds will be used for future acquisitions and expansion, and for general corporate purposes.

(ii) Land acquisition

On 15 April 2013, the Group acquired a piece of land located at 605–611 Lonsdale Street, Melbourne, Australia which is adjacent to the current Upper West Side development for AUD10 million. The site area is approximately 12,000 sq. ft. and the Group intends to amalgamate the site with the existing Upper West Side development in order to add an additional residential tower to the overall development.

On 14 June 2013, the Group entered into a contract to acquire a piece of land located at 244–276 Spencer Street, Melbourne, Australia for AUD75 million. The site is also adjacent to the Upper West Side development and has an area of approximately 1.176 hectare. Currently the site is with a planning permit for residential development with a sellable area of approximately 2.2 million sq. ft.. The Group will review the plan and may apply to amend current planning permit with the objective of optimizing the financial return and strategic value of the investment. The said acquisition enlarges the development land bank of the Group by approximately 20%.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(iii) Compulsory acquisition of Pearl Centre, Singapore

On 24 April 2013, the Group accepted the offer of compensation under the Land Acquisition Act of Singapore, by the Collector of Land Revenue of the government of Singapore for the compulsory acquisition of the Group's interest in Pearl Centre in Singapore. Together with the ex-gratia payments, the total compensation sum was approximately SG$89 million.

The Group is expected to record a gain of approximately SG$33 million (equivalent to approximately HK$206 million) in relation to the sale. The sale would provide a good opportunity for the Group to monetise one of its investment properties, realize shareholders' value created by the Group as well as reduce the Group's total bank borrowings. The sale will also provide additional cash flows to the Group to enable it to redeploy its resources to other value-accretive investment opportunities.

(iv) New loan facility of Dorsett

In June 2013, Dorsett executed a 5-year loan facility amounting to HK$1.75 billion to refinance Dorsett's existing syndicated loan due in September 2013. The new loan facility requires 2 hotel assets in Hong Kong to be pledged which will result in 4 hotel assets in Hong Kong to be released and become unencumbered upon refinancing.

BUSINESS REVIEW

1. PROPERTY DIVISION

The business of the Group's property division includes property development and investment property holding.

The Group's investment properties comprise mainly retail and office buildings located in Shanghai, Hong Kong and Singapore. As at 31 March 2013, these properties were valued at approximately HK$2.4 billion. A fair value gain of approximately HK$299 million was recorded in respect of the Group's investment properties during the financial year ended 31 March 2013. Revenue from investment properties for the financial year ended 31 March 2013 decreased to approximately HK$62 million, representing a decrease of 7.1% as compared with last financial year, due to a disposal of an investment building in Singapore during the financial year.

The Group has a diversified portfolio in property development which is located in Australia, Shanghai, Guangzhou, Hong Kong, Kuala Lumpur and Singapore. To cater for the Group's local development needs, the Group has established strong local teams for property development at these locations. The diversification allows the Group to take advantage of the different property cycles in different regions. This strategy has resulted in a relatively low land cost base for the Group's development projects. Most of the Group's property developments are focused on mass residential market in Asia Pacific where the Group can benefit from the growing affluence of the middle class. As at 31 March 2013, the gross floor area in our property development pipeline reached approximately 10 million sq. ft., which is sufficient for the Group's development in the coming 6 to 7 years. The Group is also aggressively looking for residential sites in the regions to add to its pipeline.

As at 31 March 2013, total cumulative contracted presale value of properties under development amounted to approximately HK$4.9 billion. Completion and delivery of the developments are expected in the coming three years. As revenue will only be recognized when sales of property development are completed, the above presale was not reflected in the consolidated income statement.

A breakdown of contracted presale value of properties as at 31 March 2013 is given below:

Developments	Location	Contracted presale value[iii] HK$ million
Upper West Side Stage 1	Australia	331
Upper West Side Stage 2	Australia	1,948
Upper West Side Stage 3	Australia	229
Star Ruby	Hong Kong	511
Sevilla Crest	Hong Kong	110
The Royal Crest, California Garden	Mainland China	593
Dorsett Residences[i]	Singapore	500
Dorsett Place Waterfront Subang[ii]	Malaysia	678
Total presale value as at 31 March 2013		4,900

Notes:

(i) The development of Dorsett Residences in Singapore is owned by Dorsett.

(ii) Dorsett Place Waterfront Subang in Malaysia is a joint venture carried out by Dorsett and Mayland Valiant on a 50:50 sharing profit basis. For further details, please refer to the Company's circular dated 14 October 2011.

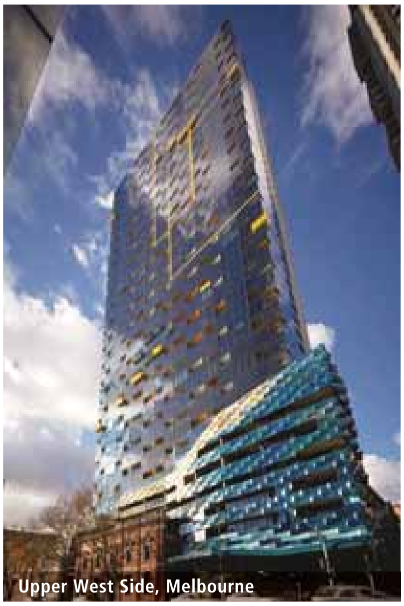
(iii) All presale value indicated is net of sales tax and goods and services tax.

In total, the Group has 12 projects of approximately 5.4 million sq. ft. in GFA currently under various stages of development across the regions. The Group targets to launch 4-6 new projects in the current financial year. Among these, the Group has launched Sevilla Crest in Sai Yeung Choi Street North, Sham Shui Po, Hong Kong consisting of approximately 39,000 sq. ft. in GFA and "Midtown at Upper West Side", the Stage 3 of Upper West Side consisting of 282 apartments. Other new residential development projects planned for launch include projects in Guangzhou (Huadijiayuan), Shanghai (California Garden), Hong Kong (Hill Road, West Point) and Malaysia (Lot 470, Jalan Imbi, Kuala Lumpur). The presale initiative will secure revenue for the Group in the coming years.

Australia

Currently, the Group's focus in Australia is the Upper West Side project which is a high rise residential development located at central business district in Melbourne. The total development consists of more than 1.3 million sq. ft. in GFA. In April 2013, a piece of land with site area of approximately 12,000 sq. ft. adjacent to the current Upper West Side development was added to the residential development portfolio. In June 2013, the Group acquired another piece of land (next to the current Upper West Side development) with site area of approximately 1.176 hectare and expected to develop 3,000 residential apartments. Currently the site is with a planning permit for residential development to build a sellable area of approximately 2.2 million sq. ft.. The said acquisition added approximately 20% to the current development land bank of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



Upper West Side, Melbourne

Stage 1 of Upper West Side development consists of 700 apartments. During the financial year ended 31 March 2013, approximately 80% of apartments were settled. The remaining balance is expected to be settled in the coming financial year.

Stage 2 of Upper West Side development (named "Madison at Upper West Side") consists of 584 apartments. As at 31 March 2013, contracted presale value of the Stage 2 reached approximately HK$1,948 million, amounting to approximately 94% of Stage 2 development. Completion of Stage 2 is expected to be in the financial year ending 31 March 2015.

Stage 3 of Upper West Side development (named "Midtown at Upper West Side") consists of 282 apartments. As at 31 March 2013, contracted presale value of the Stage 3 reached approximately HK$229 million, amounting to approximately 24% of the Stage 3 development. Construction works will commence soon and the development is expected to be completed in the financial year ending 31 March 2016.

With the success of the first 3 stages, the Group is currently finalizing the development plan for Stages 4 and 5 (the newly acquired land) of Upper West Side. Subject to planning approval, Stages 4 and 5 are expected to comprise 630 apartments and 420 apartments respectively.

Mainland China

Huadijiayuen, Guangzhou

California Garden Phase 16, Shanghai

The Group's Shanghai California Garden is a township development, of which approximately 4,000 residential units have been built and sold. This development comprises a diversified portfolio of residences including low rise apartments, high rise apartments and houses. One of the phases, namely "The Royal Crest" consisting 288 low rise residential apartments (approximately 270,000 sq. ft. in GFA) was launched during the year and was 100% presold as at 31 March 2013. The total presale value was approximately HK$593 million. The development is expected to be completed in financial year 2014. Currently developments of a further 1,000 residential apartments and 130 houses with a total GFA of approximately 1.2 million sq. ft. are underway. Completion is expected to be in financial years 2014 and 2015.

In Guangzhou, the Huadijiayuen project, located in Liwan district, consists of approximately 1 million sq. ft. in GFA. Construction works has commenced and 5 blocks of residential buildings with approximately 600 high rise apartments are being constructed. Presale and completion are expected to take place in financial years 2014 and 2015 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)


Sevilla Crest show room, Hong Kong


Star Ruby, Hong Kong

Hong Kong

The Group has been actively building its development pipeline in Hong Kong. Currently, there are 6 residential development projects. The Group will continue to increase its land bank through acquisition of redevelopment sites as well as participating in government tender or auction.

Star Ruby, located at No. 1–11A, San Wai Street, Hung Hom, Kowloon, commenced its presale during the year. As at 31 March 2013, the total presale amounted to HK$511 million, representing approximately 74% of the development. The project comprises 124 high rise residential apartments with approximately 66,000 sq. ft. in GFA. The development is expected to be completed in the financial year 2015.

Sevilla Crest, located at No. 287–293, Sai Yeung Choi Street North, Sham Shui Po, Kowloon, commenced its presale in the second half of the financial year 2013. As at 31 March 2013, total presale was approximately HK$110 million amounting to approximately 23% of the development. The development consists of 39,000 sq. ft. in GFA. Completion is expected in the financial year 2015.

No. 684, Clearwater Bay Road, Sai Kung, Kowloon is a residential redevelopment project by converting 6 old villas into 4 new villas, with a total GFA of approximately 20,000 sq. ft.. The development has been completed and put in market for sale.

The Group's development project at No. 90–100 Hill Road in Pok Fu Lam, Hong Kong, consists of approximately 45,000 sq. ft. in GFA. The project is now in the final planning stage following the Group's complete acquisition of the entire ownership of the site in the second half of last financial year.

The Group's development project at Tan Kwai Tsuen, Hung Shui Kiu, Yuen Long, New Territories, consists of approximately 50,000 sq. ft. in GFA. The project is to build 24 townhouses and now under development. Completion is expected in the financial year 2015.

In November 2012, the Company acquired 90% ownership of a residential redevelopment site located at No. 68–86 Wan Fung Street, Wong Tai Sin, Kowloon. The development site consists of approximately 91,000 sq. ft. in GFA. The Group now has more than 94% ownership of the site and is still in the process of acquiring the remaining stake. The development is still in a planning stage currently.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Malaysia

Dorsett Bukit Bintang is a residential project adjacent to Dorsett Regency Kuala Lumpur. The project consists of approximately 220,000 sq. ft. in GFA. The Group is currently planning the launch of the presale and the project is expected to be completed in the financial year 2016.

Dorsett Place Waterfront Subang is a 50:50 joint venture between Dorsett and Mayland Valiant. This development is adjacent to Grand Dorsett Subang in Kuala Lumpur and comprises 1,989 units of hotel suite apartments of two 17-storey high apartment blocks with a car park providing 1,329 car parking spaces. The total net floor area is approximately 1,000,000 sq. ft.. Presale value as at 31 March 2013 amounted to approximately HK$678 million, representing approximately 30% of the development.


Dorsett Bukit Bintang, Kuala Lumpur

Singapore

Dorsett Residences is a residential component of the Dorsett Singapore, located on the Outram Park MRT Station. The development comprises 68 serviced apartments and has been 100% presold. As at 31 March 2013, presale value amounted to approximately HK$500 million. Completion is expected to be in financial year 2014. The project is wholly owned by Dorsett.


Dorsett Residences, Singapore

2. HOTEL OPERATION AND MANAGEMENT – DORSETT HOSPITALITY INTERNATIONAL LIMITED

The Group, through its 73.25% owned subsidiary, Dorsett Hospitality International Limited, operates its hotel business. For the financial year ended 31 March 2013 Dorsett recorded revenue of approximately HK$1,153 million, representing an increase of 5.2% as compared with last financial year. The increase was driven primarily from revenue growth in Hong Kong and mainland China. Hong Kong remains the biggest revenue contributor to the Group's hotel operation, accounting for approximately 64.6% of the total hotel revenue.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The following tables set out a breakdown of revenue and operating statistics of the Groups's hotel operations.

Hotel revenue breakdown

	2013		2012	
	HK$'000	**% of Total**	HK$'000	% of Total
Hong Kong				
Room revenue	**689,676**		656,512	
Food and beverage revenue	**21,403**		14,853	
Leasing revenue	**14,198**		12,627	
Other revenue	**19,435**		23,874	
Total	**744,712**	**64.6%**	707,866	64.6%
Mainland China				
Room revenue	**73,131**		51,498	
Food and beverage revenue	**15,484**		12,553	
Leasing revenue	**29,453**		28,089	
Other revenue	**2,022**		1,929	
Total	**120,090**	**10.4%**	94,069	8.6%
Malaysia				
Room revenue	**168,040**		172,560	
Food and beverage revenue	**101,605**		104,484	
Leasing revenue	**3,897**		4,155	
Other revenue	**14,598**		12,963	
Total	**288,140**	**25.0%**	294,162	26.8%
Group Total				
Room revenue	**930,847**	**80.8%**	880,570	80.4%
Food and beverage revenue	**138,492**	**12.0%**	131,890	12.0%
Leasing revenue	**47,548**	**4.1%**	44,871	4.1%
Other revenue	**36,055**	**3.1%**	38,766	3.5%
Total	**1,152,942**	**100.0%**	1,096,097	100.0%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Hotel operating statistics

	2013	2012
Owned		
Hong Kong		
Available room nights	**740,220**	705,512
Occupied room nights	**690,566**	677,103
Occupancy rate	**93.3%**	96.0%
Average room rate (HK$)	**997**	969
RevPAR (HK$)	**930**	930
Mainland China		
Available room nights	**201,480**	192,500
Occupied room nights	**141,524**	103,714
Occupancy rate	**70.2%**	53.9%
Average room rate (HK$)	**549**	541
RevPAR (HK$)	**385**	291
Malaysia		
Available room nights	**491,111**	468,759
Occupied room nights	**336,032**	349,523
Occupancy rate	**68.4%**	74.6%
Average room rate (HK$)	**498**	494
RevPAR (HK$)	**341**	368
Managed Hong Kong		
Available room nights	**47,215**	37,454
Occupied room nights	**39,148**	29,854
Occupancy rate	**82.9%**	79.7%
Average room rate (HK$)	**1,441**	1,534
RevPAR (HK$)	**1,195**	1,223
Group Total		
Available room nights	**1,480,026**	1,404,225
Occupied room nights	**1,207,270**	1,160,194
Occupancy rate	**81.6%**	82.6%
Average room rate (HK$)	**820**	802
RevPAR (HK$)	**668**	663

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Acquisitions and disposals

Dorsett has completed the following significant transactions during financial year ended 31 March 2013.

In April 2012, the Group acquired the Big Orange industrial building located at Kwai Chung, Hong Kong from an independent third party at a consideration of HK$210 million. The Group intends to convert the property into a 420-guestroom hotel, which will be branded as an additional member to the Group's three-star Silka series of hotels, namely "Silka Tsuen Wan, Hong Kong".

Dorsett Singapore

Dorsett Grand Chengdu

To demonstrate the value of the Group's assets, in September 2012, Dorsett monetised and completed the disposal of Hong Kong (SAR) Hotel Limited ("HKSAR Hotel") holding Dorsett Regency Hotel, Hong Kong ("Dorsett Regency HK") which is located in Kennedy Town, Hong Kong for an aggregate consideration of approximately HK$802 million. The disposal resulted in a gain of approximately HK$458 million. Further to the disposal, Dorsett entered into a management contract with HKSAR Hotel to manage the Dorsett Regency HK.

Pursuing the "Chinese Wallet" strategy, the Group continued to expand its hotel portfolio in selected strategic regions in the United Kingdom with the acquisition of a property which is currently an office building situated above the Aldgate underground station on London underground's Circle Line and Metropolitan Line for a consideration of approximately £14.1 million (equivalent to approximately HK$178 million) in October 2012. The Group intends to redevelop the property into a hotel, to be named "Dorsett City, London".

Business and project development

As at 31 March 2013, the Group owned and operated 17 hotels (4,894 rooms) and managed 2 third party hotels (260 rooms). Of these hotels, Dorsett Kwun Tong (361 rooms) commenced operations in August 2012, whilst Dorsett Chengdu (556 rooms) and Dorsett Singapore (285 rooms) started trial operations during the year. In addition, there are 6 hotels which are under development, of which 2 are expected to open during the financial year ending 31 March 2014. When all pipeline hotels become operational, the Group will own 23 hotels with more than 7,000 rooms and manage 2 third party hotels with 260 rooms.

Rebranding

In order to further strengthen awareness of Dorsett hotels and reinforce competitive advantage, several high level changes to the overall brand architecture were made. With effect from 31 August 2012, the full English name of Dorsett has been changed from "Kosmopolito Hotels International Limited" to "Dorsett Hospitality International Limited" and the Chinese name of Dorsett has been changed from "麗悅酒店集團有限公司" to "帝盛酒店集團有限公司". The change of name was an important part of the brand alignment exercise, which would strengthen brand awareness for marketing efficiency and would be essential to Dorsett's further expansion through development, acquisition and management contracts. Furthermore, individual hotels are also under a tentative timetable to change their names.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

To enhance its brand architecture, Dorsett has also consolidated its hotel portfolio, by reclassifying hotels under 3 brands to cover different market segments: boutique range "d. Collection", a series of upscale, charismatic hotels in prime locations carefully chosen for their proximity to the pulse of each city; "Dorsett Hotels & Resorts", comprising the upscale Dorsett Grand Hotels offering tasteful and rich hospitality experience; mid scale Dorsett Hotels comprising contemporary urban hotels in central locations; and the value-led "Silka Hotels" famed for convenience, speedy service and attractive room rates.

3. CAR PARK BUSINESS

The Company's car park management portfolio comprises third-party-owned car parks and self-owned car parks located in Australia, New Zealand and Hartamas shopping mall in Kuala Lumpur, Malaysia. As at 31 March 2013, the whole portfolio consisted of approximately 50,000 car park bays with more than 270 car parks under the Group's management. In this portfolio, 20 were self-owned car parks amounting to approximately 5,600 car park bays. They are located in Australia and Malaysia. The remaining car parks were third-party-owned car parks under the Group's management. Third-party owners included local governments, shopping malls, retailers, universities, airports, hotels, hospitals, government departments and commercial and office buildings. During the financial year ended 31 March 2013, 25 car parks with approximately 900 car park bays were added to the Group's management portfolio.

For the financial year ended 31 March 2013, the Group's car park division generated revenue of approximately HK$567 million, representing an increase of 5.6% as compared with last financial year. The division recorded steady growth and will continue to contribute to the recurring income of the Group.

On 30 May 2012, the Group acquired 2.3% of the total issued share capital of Care Park from the minority shareholders. Following the transaction, the Group increased its shareholding in Care Park to 76.05%.

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

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

PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Details of the Company's principal subsidiaries, associates and jointly controlled entities at 31 March 2013 are set out in notes 53, 22 and 23 to the consolidated financial statements, respectively.

RESULTS AND DIVIDENDS

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

An interim dividend of HK2 cent per Share amounting to approximately HK$35,121,800 was paid to the Shareholders during the year. The Directors recommended the payment of a final dividend for the year of HK11 cents (2012: HK5 cents) per Share (the "Proposed Final Dividend"). The Proposed Final Dividend will be paid to the Shareholders whose names appear on the Company's Register of Members on 9 September 2013. The Proposed Final Dividend will be paid in the form of a scrip dividend with Shareholders being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to (i) Shareholders' approval of the Proposed Final Dividend at the Company's forthcoming annual general meeting to be held on 29 August 2013 (the "2013 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 on the Stock Exchange for the 5 trading days prior to and including 9 September 2013. Full details of the Scrip Dividend Scheme will be set out in a circular which is expected to be sent to Shareholders together with a form of election on or around 18 September 2013. Dividend warrants and/or new share certificates will be posted on or around 24 October 2013.

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 2013 AGM

As set out above, the 2013 AGM is scheduled to be held on Thursday, 29 August 2013. For determining the entitlement to attend and vote at the 2013 AGM, the Register of Members of the Company will be closed from Tuesday, 27 August 2013 to Thursday, 29 August 2013, 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 2013 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 26 August 2013.

DIRECTORS' REPORT (CONTINUED)

(B) FOR DETERMINING THE ENTITLEMENT TO THE PROPOSED FINAL DIVIDEND

As stated above, the Proposed Final Dividend is subject to the approval of Shareholders at the 2013 AGM. For determining the entitlement to the Proposed Final Dividend, the Register of Members of the Company will also be closed from Thursday, 5 September 2013 to Monday, 9 September 2013, 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 4 September 2013.

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 17.

DISTRIBUTABLE RESERVES

In the opinion of the Directors, the reserves of the Company which are available for distribution to Shareholders at 31 March 2013, amounted to approximately HK$676,528,000 (2012: HK$594,457,000), representing the retained profits.

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at 31 March 2013. The increase in fair value of investment properties, which has been credited directly to consolidated income statement, amounted to HK$298,603,000.

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$1,029,636,000 on development and refurbishment of hotel properties.

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

MAJOR PROPERTIES

Details of the major properties of the Group at 31 March 2013 are set out on pages 148 to 165.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 40 to the consolidated financial statements.

DIRECTORS' REPORT (CONTINUED)

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 March 2013, the Company completed an off-market repurchase of a total of 230 millions shares of the Company from Penta Investment Advisers Limited at the price of HK$1.23 per Share and details of which are as follows:

Month of repurchase	Number of Shares repurchased	Price per Share HK$	Aggregate consideration paid HK$
July 2012	230,000,000	1.23	282,900,000

Further details of the above repurchase (including the reasons for making the repurchase) were disclosed in the Company's circular dated 27 June 2012.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2013.

DIRECTORS

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

EXECUTIVE DIRECTORS

Tan Sri Dato' David CHIU (Chairman and Chief Executive Officer)
Mr. Chris Cheong Thard HOONG (Appointed on 31 August 2012)
Mr. Denny Chi Hing CHAN (Appointed on 31 August 2012)
Mr. Dennis CHIU
Mr. Craig Grenfell WILLIAMS

NON-EXECUTIVE DIRECTOR

Mr. Daniel Tat Jung CHIU

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. Chris Cheong Thard HOONG, Mr. Denny Chi Hing CHAN, Mr. Dennis CHIU and Mr. Peter Man Kong WONG shall retire at the 2013 AGM and are eligible to offer themselves for re-election in the meeting.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the 2013 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

CONNECTED TRANSACTIONS

Off-market share repurchase

On 16 April 2012, the Company entered into a share repurchase agreement (the "Share Repurchase Agreement") with Penta Investment Advisers Limited ("Penta") pursuant to which the Company agreed to acquire and Penta agreed to dispose of 230,000,000 Shares at the total consideration of HK$282,900,000 (the "Share Repurchase"), equivalent to HK$1.23 per repurchase share.

The Share Repurchase contemplated under the Share Repurchase Agreement constitutes a connected transaction (by virtue of Penta being a substantial shareholder of the Company) for the Company under the Listing Rules and is therefore subject to the approval by the disinterested Shareholders at the extraordinary general meeting.

The Board believes that the Share Repurchase (i) is a good opportunity for the Company to utilise its surplus cash to enhance the earning per Share and the rate of return on capital; (ii) is a good opportunity for the Company to repurchase a significant block of Shares without affecting the normal trading of the Shares in terms of price and volume, given the thin trading volume in the Shares; and (iii) will result in enhancement in net asset value per Share.

Completion had taken place on 25 July 2012 after fulfillment of the conditions precedent under the Share Repurchase Agreement. Further details of the Share Repurchase have been disclosed in the announcements of the Company dated 16 April 2012, 20 July 2012 and 25 July 2012 and the circular of the Company dated 27 June 2012.

Exercise of options to sell shares of Care Park and entering into the variation deed

On 16 May 2012, pursuant to the Second Anniversary Put Options, each of Warmlink Pty Limited ("Warmlink"), Chartbridge Pty Limited ("Chartbridge") and Deanne Pointon (the "Minority Shareholders"), being the minority shareholders of Care Park, exercised their rights to sell 230 ordinary shares of Care Park (the "CP Shares"), representing 2.3% of the total issued share capital of Care Park, held by them at A$6,160 (equivalent to approximately HK$49,280) per CP Share to FEC Care Park Holdings (Australia) Pty Limited ("FEC Australia"), totaling A$1,416,800 (equivalent to approximately HK$11,334,400). FEC Australia is the major shareholder of Care Park holding 73.75% of the total issued share capital of Care Park immediately before the exercises of the Second Anniversary Put Options by the Minority Shareholders and a wholly-owned subsidiary of the Company.

Chartbridge (being wholly owned by Mr. Craig Grenfell WILLIAMS who is an Executive Director of the Company and a director of Care Park) and Warmlink (being a substantial shareholder of Care Park and partially owned by Robert Belteky who is a director of Care Park) are connected persons of the Company; and Deanne Pointon, save for being an employee and a shareholder of Care Park, is a third party independent of the Company and its connected persons.

Upon completion of the exercises of the Second Anniversary Put Options, Care Park will be owned as to 76.05% by FEC Australia, 8.25% by Chartbridge, 13.00% by Warmlink and 2.70% by Deanne Pointon.

Upon the exercise of the Second Anniversary Put Options by the Minority Shareholders as mentioned above, all parties to the CP shareholders agreement, being Care Park, FEC Australia, the Minority Shareholders and the FEC Guarantor Companies entered into a variation deed (the "Variation Deed") on 16 May 2012 to vary certain terms of the CP shareholders agreement essentially having the effect of postponement or abandonment of the right to exercise certain put options of the Minority Shareholders.

The Directors consider the entering into the Variation Deed is in the interest of the Company as it is of benefit to the Company for management of Care Park to continue to hold bigger stake in the business of Care Park as they will be more incentivized to drive the performance of the business as shareholders. For details, please refer to the announcement of the Company dated 7 May 2009, 27 July 2009 and 16 May 2012 and the circular of the Company dated 3 June 2009.

Acquisition of Cathay Motion Picture Studios Limited

On 13 July 2012, Far East Consortium Limited ("FECL"), a wholly-owned subsidiary of the Company, and Far East Holdings International Limited (the "Vendor") entered into the sale and purchase agreement, pursuant to which FECL has conditionally agreed to acquire and the Vendor has conditionally agreed to sell and dispose of 30,000 shares, being the entire issued share capital of Cathay Motion Picture Studios Limited ("Cathay Motion"), and assign the debt of HK$9,351,306, being the amount due to the Vendor by Cathay Motion, to FECL at an aggregate consideration of HK$8,500,000 (the "Acquisition").

Given that the family interests of Tan Sri Dato' David CHIU, an Executive Director of the Company, taken together are directly or indirectly in control of 30% or more of the voting power of the Vendor, the Vendor is an associate of Tan Sri Dato' David CHIU and accordingly a connected person of the Company.

DIRECTORS' REPORT (CONTINUED)

Cathay Motion's only asset of significance is its interest in the Hong Kong Property, comprises a plot of agricultural land located in Chuen Lung, Tsuen Wan of New Territories in Hong Kong and a 13.075% interest in Tsuen Wan Town Lot No. 389, Chuen Lung, Tsuen Wan, New Territories (the "Land"). The Company is the beneficial owner of the remaining 86.925% interest in the Land. The Company expects to develop the Land into serviced apartments for long term investment purpose which are in-line with one of the principal activities of the Company.

The Acquisition will enable the Company to unify the ownership of the Land for future development and will simplify the development process and allow the Company to benefit fully from the development. Further details of the Acquisition have been disclosed in the announcement of the Company dated 13 July 2012.

DIRECTORS' INTERESTS

As at 31 March 2013, 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	13,607,249	0.77%
	Interest of spouse	557,000(i)	0.03%
	Interest of controlled corporations	701,156,072(i)	39.64%
Chris Cheong Thard HOONG	Beneficial owner	273	0.00%
	Joint interest	386,329(ii)	0.02%
Denny Chi Hing CHAN	Beneficial owner	222,982	0.01%
Dennis CHIU	Beneficial owner	10,733	0.00%
	Interest of controlled corporations	5,365,703(iii)	0.30%
Daniel Tat Jung CHIU	Beneficial owner	44,561	0.00%
	Interest of controlled corporation	3,877,218(iv)	0.22%

Notes:

(i) 701,143,751 shares were held by Sumptuous Assets Limited and 12,321 shares were held by Modest Secretarial Services Limited, companies controlled by Tan Sri Dato' David CHIU and 557,000 shares were held by Ms. Nancy NG, spouse of Tan Sri Dato' David CHIU.

(ii) 386,329 shares were held by Mr. Chris Cheong Thard HOONG jointly with his wife.

(iii) 1,488,485 shares were held by Chiu Capital N.V., a company controlled by Mr. Dennis CHIU, and 3,877,218 shares were held by First Level Holdings Limited, a company controlled by Mr. Dennis CHIU and Mr. Daniel Tat Jung CHIU.

(iv) These shares were held by First Level Holdings Limited, a company controlled by Mr. Dennis CHIU and Mr. Daniel Tat Jung CHIU, and were entirely duplicated and included in the interest of controlled corporations of Mr. Dennis CHIU.

* The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at 31 March 2013.

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	12,400,000	0.70%
Denny Chi Hing CHAN	Beneficial owner	7,800,000	0.44%

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

* The percentage represents the number of underlying shares interested divided by the Company's issued shares as at 31 March 2013.

DIRECTORS' REPORT (CONTINUED)

B. ASSOCIATED CORPORATIONS

B.1 Long position in the ordinary shares

Name of director	Name of associated corporation	Capacity	Number of ordinary shares interested	Approximate % of the relevant issued share capital*
David CHIU	Dorsett	Interest of spouse	8,355[(i)]	0.00%
		Interest of controlled corporations	1,472,773,254[(i)]	73.64%
	Oi Tak Enterprises Limited	Interest of controlled corporation	250,000[(ii)]	25.00%
Chris Cheong Thard HOONG	Dorsett	Joint Interest	4,000[(iii)]	0.00%
Denny Chi Hing CHAN	Dorsett	Beneficial owner	3,000	0.00%
Dennis CHIU	Dorsett	Beneficial owner	30	0.00%
		Interest of controlled corporations	78,423[(iv)]	0.00%
Daniel Tat Jung CHIU	Dorsett	Interest of controlled corporation	58,158[(v)]	0.00%
Craig Grenfell WILLIAMS	Care Park	Beneficiary of a discretionary trust	825[(vi)]	8.25%

Notes:

(i) 7,773,254 shares in Dorsett were held by Sumptuous Assets Limited, a company controlled by Tan Sri Dato' David CHIU. 1,465,000,000 shares in Dorsett were held by Ample Bonus Limited, a wholly owned subsidiary of the Company in which Tan Sri Dato' David CHIU owned approximately 40.44% interest in the issued share capital of the Company and was therefore deemed to have an interest in the shares in Dorsett. 8,355 shares in Dorsett were held by Ms. Nancy NG, spouse of Tan Sri Dato' David CHIU.

(ii) These shares in Oi Tak Enterprises Limited were held by Commodious Property Limited, a company controlled by Tan Sri Dato' David CHIU.

(iii) These shares were held by Mr. Chris Cheong Thard HOONG jointly with his wife.

(iv) 20,265 shares in Dorsett were held by Chiu Capital N.V., a company controlled by Mr. Dennis CHIU, and 58,158 shares in Dorsett were held by First Level Holdings Limited, a company controlled by Mr. Dennis CHIU and Mr. Daniel Tat Jung CHIU.

(v) These shares in Dorsett were held by First Level Holdings Limited, a company controlled by Mr. Dennis CHIU and Mr. Daniel Tat Jung CHIU, and were entirely duplicated and included in the interest of controlled corporations of Mr. Dennis CHIU.

(vi) These shares in Care Park were held by Chartbridge Pty Ltd in its capacity as the trustee of The Craig Williams Family Trust, and Mr. Craig Grenfell WILLIAMS, as a beneficiary of The Craig Williams Family Trust, was deemed to be interested in these shares.

* The percentage represents the number of ordinary shares interested divided by the respective associated corporations' issued shares as at 31 March 2013.

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

Name of director	Capacity	Number of underlying shares in respect of the share options granted	Approximate % of Dorsett's issued share capital*
Chris Cheong Thard HOONG	Beneficial owner	2,836,363	0.14%
Denny Chi Hing CHAN	Beneficial owner	3,545,454	0.18%

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

* The percentage represents the number of underlying shares interested divided by Dorsett's issued shares as at 31 March 2013.

Save as disclosed above, none of the directors of the Company had registered an interest and short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 March 2013.

SHARE OPTION SCHEME

(A) FECIL SHARE OPTION SCHEMES

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

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

DIRECTORS' REPORT (CONTINUED)

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

Category of grantee	Date of grant	Exercise price per share HK$	Outstanding at 01.04.2012	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Outstanding at 31.03.2013	Exercise period*
			Number of share options					
Directors								
Chris Cheong Thard HOONG	08.05.2009	1.500	1,850,000	–	–	–	1,850,000	16.09.2009–15.09.2019
			1,850,000	–	–	–	1,850,000	16.09.2010–15.09.2019
			1,850,000	–	–	–	1,850,000	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[i]	–	–	750,000	01.03.2014–28.02.2020
			–	1,000,000[i]	–	–	1,000,000	01.03.2015–28.02.2020
			–	1,250,000[i]	–	–	1,250,000	01.03.2016–28.02.2020
			–	2,000,000[i]	–	–	2,000,000	01.03.2017–28.02.2020
			7,400,000	5,000,000	–	–	12,400,000	
Denny Chi Hing CHAN	21.10.2004	2.075	500,000	–	–	–	500,000	01.01.2007–20.10.2014
			1,800,000	–	–	–	1,800,000	01.01.2008–20.10.2014
			2,000,000	–	–	–	2,000,000	01.01.2009–20.10.2014
	27.03.2013	2.550	–	525,000[i]	–	–	525,000	01.03.2014–28.02.2020
			–	700,000[i]	–	–	700,000	01.03.2015–28.02.2020
			–	875,000[i]	–	–	875,000	01.03.2016–28.02.2020
			–	1,400,000[i]	–	–	1,400,000	01.03.2017–28.02.2020
			4,300,000	3,500,000	–	–	7,800,000	
Senior Management								
Bill Kwai Pui MOK[ii]	21.10.2004	2.075	1,200,000	–	(1,200,000)	–	–	01.01.2007–20.10.2014
			1,800,000	–	(1,800,000)	–	–	01.01.2008–20.10.2014
			2,000,000	–	(2,000,000)	–	–	01.01.2009–20.10.2014
			5,000,000	–	(5,000,000)	–	–	
Other employees in aggregate	21.10.2004	2.075	250,000	–	–	–	250,000	01.11.2004–20.10.2014
			425,000	–	–	–	425,000	01.01.2006–20.10.2014
			1,075,000	–	–	–	1,075,000	01.01.2007–20.10.2014
			2,275,000	–	–	–	2,275,000	01.01.2008–20.10.2014
			2,975,000	–	–	–	2,975,000	01.01.2009–20.10.2014

DIRECTORS' REPORT (CONTINUED)

Category of grantee	Date of grant	Exercise price per share HK$	Number of share options: Outstanding at 01.04.2012	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Outstanding at 31.03.2013	Exercise period*
Other employees in aggregate (continued)	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(i)	–	–	1,125,000	01.03.2014–28.02.2020
			–	1,500,000(i)	–	–	1,500,000	01.03.2015–28.02.2020
			–	1,875,000(i)	–	–	1,875,000	01.03.2016–28.02.2020
			–	3,000,000(i)	–	–	3,000,000	01.03.2017–28.02.2020
			7,950,000	7,500,000	–	–	15,450,000	
Total			24,650,000	16,000,000	(5,000,000)	–	35,650,000	

Notes:

(i) The closing price of the Company's share immediately before the date on which the share options were granted was HK$2.53.

(ii) Mr. Bill Kwai Pui MOK ceased to be a director of Dorsett upon his retirement at the conclusion of the Dorsett's annual general meeting held on 31 August 2012.

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

As at the date of this annual report, the total number of Shares available for issue under FECIL Share Option Schemes is 156,975,707, representing approximately 8.87% 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 50 to the consolidated financial statements.

(B) DORSETT SHARE OPTION SCHEME

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

DIRECTORS' REPORT (CONTINUED)

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

			Number of share options					
Category of grantee	Date of grant	Exercise price per share HK$	Outstanding at 01.04.2012	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Outstanding at 31.03.2013	Exercise period*
Directors of Dorsett								
Winnie Wing Kwan CHIU	11.10.2010	2.20	454,545	–	–	–	454,545	11.10.2011–10.10.2014
			454,545	–	–	–	454,545	11.10.2012–10.10.2015
			454,545	–	–	–	454,545	11.10.2013–10.10.2016
			454,545	–	–	–	454,545	11.10.2014–10.10.2017
			454,547	–	–	–	454,547	11.10.2015–10.10.2018
			2,272,727	–	–	–	2,272,727	
Wai Keung LAI	11.10.2010	2.20	318,181	–	–	–	318,181	11.10.2011–10.10.2014
			318,181	–	–	–	318,181	11.10.2012–10.10.2015
			318,181	–	–	–	318,181	11.10.2013–10.10.2016
			318,181	–	–	–	318,181	11.10.2014–10.10.2017
			318,185	–	–	–	318,185	11.10.2015–10.10.2018
			1,590,909	–	–	–	1,590,909	
Chris Cheong Thard HOONG	11.10.2010	2.20	567,272	–	–	–	567,272	11.10.2011–10.10.2014
			567,272	–	–	–	567,272	11.10.2012–10.10.2015
			567,272	–	–	–	567,272	11.10.2013–10.10.2016
			567,272	–	–	–	567,272	11.10.2014–10.10.2017
			567,275	–	–	–	567,275	11.10.2015–10.10.2018
			2,836,363	–	–	–	2,836,363	
Denny Chi Hing CHAN	11.10.2010	2.20	709,090	–	–	–	709,090	11.10.2011–10.10.2014
			709,090	–	–	–	709,090	11.10.2012–10.10.2015
			709,090	–	–	–	709,090	11.10.2013–10.10.2016
			709,090	–	–	–	709,090	11.10.2014–10.10.2017
			709,094	–	–	–	709,094	11.10.2015–10.10.2018
			3,545,454	–	–	–	3,545,454	

DIRECTORS' REPORT (CONTINUED)

Category of grantee	Date of grant	Exercise price per share HK$	Number of share options: Outstanding at 01.04.2012	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Outstanding at 31.03.2013	Exercise period*
Bill Kwai Pui MOK[i]	11.10.2010	2.20	709,090	–	–	(709,090)	–	11.10.2011–10.10.2014
			709,090	–	–	(709,090)	–	11.10.2012–10.10.2015
			709,090	–	–	(709,090)	–	11.10.2013–10.10.2016
			709,090	–	–	(709,090)	–	11.10.2014–10.10.2017
			709,094	–	–	(709,094)	–	11.10.2015–10.10.2018
			3,545,454	–	–	(3,545,454)	–	
Other employees in aggregate	11.10.2010	2.20	1,772,721	–	–	(109,090)	1,663,631	11.10.2011–10.10.2014
			1,772,721	–	–	(109,090)	1,663,631	11.10.2012–10.10.2015
			1,772,721	–	–	(109,090)	1,663,631	11.10.2013–10.10.2016
			1,772,721	–	–	(109,090)	1,663,631	11.10.2014–10.10.2017
			1,772,745	–	–	(109,094)	1,663,651	11.10.2015–10.10.2018
			8,863,629	–	–	(545,454)	8,318,175	
Total			22,654,536	–	–	(4,090,908)	18,563,628	

Note:

(i) Mr. Bill Kwai Pui MOK ceased to be a director of Dorsett upon his retirement at the conclusion of the Dorsett's annual general meeting held on 31 August 2012.

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

No share options were cancelled during the year. Further information on Dorsett Share Option Scheme and the options granted by Dorsett is set out in note 50 to the consolidated financial statements.

As at the date of this annual report, the total number of shares of Dorsett available for issue under Dorsett Share Option Scheme is 181,981,826, representing approximately 9.10% of the issued share capital of Dorsett as at the date of this annual report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 March 2013, 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 held	Approximate % of the relevant issued share capital*
Sumptuous Assets Limited	Beneficial owner	701,143,751(i) (long position)	39.64%
Deacon Te Ken CHIU	Beneficial owner	13,022,647 (long position)	0.74%
	Interest of controlled corporations	140,942,693(ii) (long position)	7.97%
	Interest of spouse	1,624,301(ii) (long position)	0.09%

Notes:

(i) The interests of Sumptuous Assets Limited were also disclosed as the interests of Tan Sri Dato' David CHIU in the above section headed "Directors' Interests". Tan Sri Dato' David CHIU is a director of Sumptuous Assets Limited.

(ii) 140,942,693 shares were held by various companies controlled by Mr. Deacon Te Ken CHIU and 1,624,301 shares were held by Mrs. Ching Lan JU CHIU, spouse of Mr. Deacon Te Ken CHIU.

* The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 31 March 2013.

Save as disclosed above, as at 31 March 2013, 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$1,840,000.

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 2013, the number of employees of the Group was approximately 3,000.

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

The Company has adopted FECIL Share Option Schemes as an incentive to Directors and eligible participants, details of the schemes are set out in note 50 to the consolidated financial statements.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 49 to 57.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2013.

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 of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

AUDITOR

A resolution will be submitted to the 2013 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

DIRECTORS' REPORT (CONTINUED)

CHANGES IN INFORMATION OF DIRECTORS

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

(1) re-designation of Mr. Peter Man Kong WONG (an Independent Non-executive Director of the Company) from a non-executive director to an independent non-executive director of New Times Energy Corporation Limited (a company listed on the Stock Exchange, stock code: 166) with effect from 10 May 2013.

(2) retirement of Mr. Kwok Wai CHAN (an Independent Non-executive Director of the Company) as an independent non-executive director of Junefield Department Store Group Limited ("Junefield", a company listed on the Stock Exchange, stock code: 758) with effect from the conclusion of the Junefield's annual general meeting held on 29 May 2013.

On behalf of the Board
David CHIU
Chairman and Chief Executive Officer

19 June 2013

CORPORATE GOVERNANCE REPORT

The Board presents this Corporate Governance Report in the Company's annual report for the year ended 31 March 2013.

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 Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules. 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 2013, except for the deviations from Code Provisions A.2.1 and A.6.7. Key corporate governance principles and practices of the Company as well as details of the foregoing deviations of Code Provisions 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 nine Directors, five of whom are Executive Directors, one is 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.

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 2013, the Company has met the Listing Rules requirements of having at least three Independent Non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications and accounting and related financial management expertise. In addition, the Company has received from each of the three Independent Non-executive Directors an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of them are independent.

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

A.3 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

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

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

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

In accordance with clauses 106 and 107 of the Articles, Mr. Dennis CHIU (Executive Director) and Mr. Peter Man Kong WONG (Independent Non-executive Director) shall retire by rotation at the 2013 AGM; whereas according to clause 112 of the Articles, Mr. Chris Cheong Thard HOONG and Mr. Denny Chi Hing CHAN, who were appointed by the Board as Executive Directors on 31 August 2012, shall hold office until the 2013 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 Board, voluntarily retires from his office and offers himself for re-election at the 2013 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 five retiring Directors standing for re-election at the 2013 AGM. The Company's circular, sent together with this annual report, contains detailed information of the above 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

During the year ended 31 March 2013, the Company has provided (i) reading materials on regulatory updates to all its Directors, namely, Tan Sri Dato' David CHIU, Mr. Chris Cheong Thard HOONG, Mr. Denny Chi Hing CHAN, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS, Mr. Daniel Tat Jung CHIU, 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 amendments and Securities and Futures Ordinance. Besides, Mr. Denny Chi Hing CHAN, Mr. Kwok Wai CHAN 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 (CONTINUED)

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 2013 are set out below:

	Attendance/Number of Meetings					
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting	Extraordinary General Meeting
Tan Sri Dato' David CHIU	5/5	N/A	3/3	2/2	1/1	0/2
Mr. Chris Cheong Thard HOONG (Note)	2/2	N/A	N/A	N/A	–	–
Mr. Denny Chi Hing CHAN (Note)	2/2	N/A	N/A	N/A	–	–
Mr. Dennis CHIU	5/5	N/A	N/A	N/A	0/1	0/2
Mr. Craig Grenfell WILLIAMS	5/5	N/A	N/A	N/A	0/1	0/2
Mr. Daniel Tat Jung CHIU	0/5	N/A	N/A	N/A	0/1	0/2
Mr. Kwok Wai CHAN	5/5	2/2	3/3	2/2	1/1	0/2
Mr. Peter Man Kong WONG	4/5	2/2	2/3	1/2	0/1	2/2
Mr. Kwong Siu LAM	5/5	1/2	N/A	2/2	1/1	2/2

Note: Mr. Chris Cheong Thard HOONG and Mr. Denny Chi Hing CHAN were appointed as Executive Directors on 31 August 2012 after the conclusion of the annual general meeting held on the same date. Subsequent to their appointments, there were a total of 2 Board meetings held during the year ended 31 March 2013.

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. All the Directors have confirmed, following specific enquiry made by the Company, that they have complied with the required standard set out in the Model Code during the year ended 31 March 2013.

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 2013, 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.

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

B.2 AUDIT COMMITTEE

The Audit Committee currently comprises 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.

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

During the year ended 31 March 2013, the Audit Committee had met twice and performed the following major works:

- Review and discussion of the annual financial statements and annual results for the year ended 31 March 2012, the related accounting principles and practices adopted by the Company and the relevant audit findings;

- Review and discussion of the interim financial statements and interim results for the six months ended 30 September 2012 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 2013 are set out in section A.6.2 above.

B.3 REMUNERATION COMMITTEE

The Remuneration Committee currently comprises 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 under review, the Remuneration Committee has performed the following major works:

- Review the remuneration packages of the Executive Directors and senior management and make recommendation to the Board;

- Consider the remuneration packages of Mr. Chris Cheong Thard HOONG and Mr. Denny Chi Hing CHAN upon their appointment as the Executive Directors; and

- Consider the grant of share options of the Company.

The attendance records of each Committee member at the Remuneration Committee meetings held during the year ended 31 March 2013 are set out in section A.6.2 above.

Details of the remuneration of each of the Directors of the Company for the year ended 31 March 2013 are set out in note 15 to the consolidated financial statements.

B.4 NOMINATION COMMITTEE

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

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

During the year under review, 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 2012 annual general meeting of the Company;

- Assessment of the independence of all the Independent Non-executive Directors of the Company; and

- Appointment of Mr. Chris Cheong Thard HOONG and Mr. Denny Chi Hing CHAN as the Executive Directors.

The attendance records of each Committee member at the Nomination Committee meetings held during the year ended 31 March 2013 are set out in section A.6.2 above.

C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Company's Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 March 2013.

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

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

D. INTERNAL CONTROLS

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

During the year ended 31 March 2013, 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 2013, Mr. Boswell Wai Hung CHEUNG, the Company Secretary, has taken no less than 15 hours of relevant professional training. Biographical details of Mr. CHEUNG are set out in the section headed "Profile of Directors and Senior Management" in this annual report.

F. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about its reporting responsibilities for the Company's financial statements for the year ended 31 March 2013 is set out in the section headed "Independent Auditor's Report" in this annual report.

The fees paid/payable to the Group's external auditor in respect of audit services and non-audit services for the year ended 31 March 2013 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 2013	10,774,000
Non-audit services – interim review, tax and other services	4,367,000
TOTAL:	15,141,000

CORPORATE GOVERNANCE REPORT (CONTINUED)

G. COMMUNICATION WITH SHAREHOLDERS

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

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

Address:	16/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong (For the attention of the Chief Financial Officer)
Fax:	(852) 2815 0412

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

Code Provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings. Due to their unavoidable business engagement, the Non-executive Director and one of the Independent Non-executive Directors were unable to attend the extraordinary general meetings held on 20 July 2012 and the annual general meeting held on 31 August 2012.

H. SHAREHOLDER RIGHTS

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

(i) Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may request the Board to convene an extraordinary general meeting by sending a written requisition to the Board at the Company's principal place of business in Hong Kong. The objects of the meeting must be stated in the written requistion.

(ii) If a Shareholder wishes to propose a person other than a retiring director for election as a director of the Company at a general meeting, the Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the Shareholder, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's registered office or principal place of business in Hong Kong. The period for lodgement of such notices shall commence on the day after the despatch of the notice of such general meeting and end no later than 7 days prior to the date of such general meeting.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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

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

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

INDEPENDENT AUDITOR'S REPORT

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 59 to 147, which comprise the consolidated statement of financial position as at 31 March 2013, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the 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 the 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 judgment, 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 the 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 state of affairs of the Group as at 31 March 2013 and of its profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19 June 2013

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Revenue	8	**3,732,172**	1,760,951
Cost of sales and services		**(2,547,512)**	(778,045)
Depreciation and amortisation of hotel and car park assets		**(158,010)**	(135,304)
Gross profit		**1,026,650**	847,602
Other income		**16,282**	18,181
Gain on disposal of property, plant and equipment	12	**424**	380,799
Gain on disposal of a subsidiary	42	**458,358**	–
Other gains and losses	9	**218,603**	87,566
Administrative expenses			
– Hotels operation and management		**(272,478)**	(253,929)
– Others		**(214,826)**	(187,549)
Pre-opening expenses			
– Hotels operation and management		**(26,107)**	(8,651)
Selling and marketing expenses		**(85,646)**	(30,741)
Share of results of associates		**73,656**	23,843
Share of results of jointly controlled entities		**(2,904)**	7,014
Finance costs	10	**(168,033)**	(166,479)
Profit before taxation		**1,023,979**	717,656
Income tax credit (expense)	11	**54,391**	(103,131)
Profit for the year	12	**1,078,370**	614,525
Attributable to:			
Shareholders of the Company		**903,046**	448,102
Non-controlling interests		**175,324**	166,423
		1,078,370	614,525
Earnings per share	13		
Basic (HK cents)		**50**	23
Diluted (HK cents)		**50**	23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	2013 HK$'000	2012 HK$'000
Profit for the year	**1,078,370**	614,525
Other comprehensive income (expense) for the year:		
Exchange differences arising on translation of foreign operations	**16,228**	41,379
Revaluation increase (decrease) on available-for-sale investments	**3,190**	(17,763)
Fair value adjustment on cross currency swap contracts designated as cash flow hedge	**(7,593)**	–
Reclassification to profit or loss on disposal of available-for-sale investments	**(2,838)**	15,027
Reclassification from hedging reserve to profit or loss	**(6,000)**	–
Other comprehensive income for the year	**2,987**	38,643
Total comprehensive income for the year	**1,081,357**	653,168
Total comprehensive income attributable to:		
Shareholders of the Company	**906,092**	468,578
Non-controlling interests	**175,265**	184,590
	1,081,357	653,168

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current Assets			
Investment properties	16	**2,431,917**	2,456,469
Property, plant and equipment	17	**6,653,119**	5,988,002
Prepaid lease payments	18	**595,036**	597,485
Other assets	19	**296,250**	–
Goodwill	20	**68,400**	68,400
Other intangible assets	21	**–**	2,100
Interests in associates	22	**315,608**	256,158
Interests in jointly controlled entities	23(a)	**47,115**	90,966
Available-for-sale investments	24	**110,300**	16,190
Financial assets at fair value through profit or loss	25	**36,304**	7,750
Deposits for acquisition of property, plant and equipment		**133,864**	149,315
Amounts due from associates	26	**70,744**	70,784
Amount due from a jointly controlled entity	49	**27,295**	26,936
Amount due from an investee company	49	**119,995**	119,995
Other receivables	27	**45**	141,407
Pledged deposits	28	**34,788**	25,252
Deferred tax assets	39	**5,000**	–
		10,945,780	10,017,209
Current Assets			
Properties for sale	29		
Completed properties		**295,582**	100,699
Properties for/under development		**4,142,719**	3,797,152
Other inventories		**9,034**	10,719
Prepaid lease payments	18	**16,034**	18,867
Debtors, deposits and prepayments	30	**412,836**	280,570
Other receivables	27	**142,365**	–
Tax recoverable		**87,212**	11,386
Available-for-sale investments	24	**41,120**	18,694
Financial assets at fair value through profit or loss	25	**96,862**	458
Derivative financial instruments	33	**5,354**	10
Pledged deposits	28	**141,516**	342,672
Restricted bank deposits	28	**257,117**	971
Deposit in a financial institution	28	**100,000**	–
Time deposits	28	**12,500**	–
Bank balances and cash	28	**2,620,653**	1,374,980
		8,380,904	5,957,178
Assets classified as held for sale	35	**91,410**	418,928
		8,472,314	6,376,106

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Current Liabilities			
Creditors and accruals	31	**837,209**	606,298
Customers' deposits received	31	**958,346**	197,140
Obligations under finance leases	32	**158**	218
Amounts due to related companies	49	**62,660**	46,165
Amounts due to associates	49	**12,453**	12,877
Amounts due to non-controlling shareholders of subsidiaries	49	**30,070**	30,070
Derivative financial instruments	33	**20,290**	1,245
Tax payable		**185,506**	345,774
Secured bank borrowings	34	**4,713,839**	1,764,289
		6,820,531	3,004,076
Liabilities associated with assets classified as held for sale	35	**–**	2,994
		6,820,531	3,007,070
Net Current Assets		**1,651,783**	3,369,036
Total Assets less Current Liabilities		**12,597,563**	13,386,245
Non-current Liabilities			
Secured bank and other borrowings	34	**1,904,089**	4,620,800
Obligations under finance leases	32	**1,010**	474
Convertible bonds	36	**31,169**	30,074
Bonds	37	**1,250,000**	–
Derivative financial instruments designated as hedging instruments	38	**7,593**	–
Deferred tax liabilities	39	**253,242**	234,888
		3,447,103	4,886,236
Net Assets		**9,150,460**	8,500,009
Capital and Reserves			
Share capital	40	**176,891**	195,976
Share premium		**2,617,925**	2,822,611
Reserves		**5,217,714**	4,433,033
Equity attributable to shareholders of the Company		**8,012,530**	7,451,620
Non-controlling interests	41	**1,137,930**	1,048,389
Total Equity		**9,150,460**	8,500,009

The consolidated financial statements on pages 59 to 147 were approved and authorised for issue by the Board of Directors on 19 June 2013 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 2013

	Attributable to equity holders of the Company													
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Assets revaluation reserve HK$'000	Investment revaluation reserve HK$'000	Exchange reserve HK$'000	Share options reserve HK$'000	Convertible bond equity reserve HK$'000	Hedging reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2011	191,826	2,770,185	2,500	13,808	(1,320)	405,012	11,940	23,967	–	1,478,901	2,129,769	7,026,588	892,205	7,918,793
Profit for the year	–	–	–	–	–	–	–	–	–	–	448,102	448,102	166,423	614,525
Exchange differences arising on translation of foreign operations	–	–	–	–	–	23,212	–	–	–	–	–	23,212	18,167	41,379
Revaluation decrease on available for sale investments	–	–	–	–	(17,763)	–	–	–	–	–	–	(17,763)	–	(17,763)
Reclassification to profit or loss on disposal of available-for-sale investments	–	–	–	–	15,027	–	–	–	–	–	–	15,027	–	15,027
Other comprehensive income for the year	–	–	–	–	(2,736)	23,212	–	–	–	–	–	20,476	18,167	38,643
Total comprehensive income for the year	–	–	–	–	(2,736)	23,212	–	–	–	–	448,102	468,578	184,590	653,168
Shares issued in lieu of cash dividend, net of expenses	4,150	52,426	–	–	–	–	–	–	–	–	–	56,576	–	56,576
Repurchase/redemption of convertible bonds	–	–	–	–	–	–	–	(28,328)	–	–	37,746	9,418	–	9,418
Reversal of deferred tax on equity component on repurchase/ redemption of convertible bonds	–	–	–	–	–	–	–	4,361	–	–	–	4,361	–	4,361
Recognition of equity-settled shares-based payment expenses	–	–	–	–	–	–	484	–	–	–	–	484	4,898	5,382
Lapse of share options transferred to retained profits	–	–	–	–	–	–	–	–	–	–	1,024	1,024	(1,024)	–
Dividends recognised as distribution (note 14)	–	–	–	–	–	–	–	–	–	–	(115,409)	(115,409)	–	(115,409)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(32,280)	(32,280)
At 31 March 2012	195,976	2,822,611	2,500	13,808	(4,056)	428,224	12,424	–	–	1,478,901	2,501,232	7,451,620	1,048,389	8,500,009

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 March 2013

	Attributable to equity holders of the Company													
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Assets revaluation reserve HK$'000	Investment revaluation reserve HK$'000	Exchange reserve HK$'000	Share options reserve HK$'000	Convertible bond equity reserve HK$'000	Hedging reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Profit for the year	–	–	–	–	–	–	–	–	–	–	903,046	903,046	175,324	1,078,370
Exchange differences arising on translation of foreign operations	–	–	–	–	–	16,287	–	–	–	–	–	16,287	(59)	16,228
Revaluation increase on available-for-sale investments	–	–	–	–	3,190	–	–	–	–	–	–	3,190	–	3,190
Fair value adjustment on cross currency swap contracts designated as cash flow hedge	–	–	–	–	–	–	–	–	(7,593)	–	–	(7,593)	–	(7,593)
Reclassification to profit or loss on disposal of available-for-sale investments	–	–	–	–	(2,838)	–	–	–	–	–	–	(2,838)	–	(2,838)
Reclassification from hedging reserve to profit or loss	–	–	–	–	–	–	–	–	(6,000)	–	–	(6,000)	–	(6,000)
Other comprehensive income for the year	–	–	–	–	352	16,287	–	–	(13,593)	–	–	3,046	(59)	2,987
Total comprehensive income for the year	–	–	–	–	352	16,287	–	–	(13,593)	–	903,046	906,092	175,265	1,081,357
Shares issued in lieu of cash dividend, net of expenses	3,415	50,664	–	–	–	–	–	–	–	–	–	54,079	–	54,079
Repurchase of shares, net of expenses	(23,000)	(265,225)	23,000	–	–	–	–	–	–	–	(23,000)	(288,225)	–	(288,225)
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	–	–	–	(3,097)	–	(3,097)	(12,254)	(15,351)
Recognition of equity-settled share-based payment expenses	–	–	–	–	–	–	2,135	–	–	–	–	2,135	2,591	4,726
Share issued upon exercise of share options	500	9,875	–	–	–	–	–	–	–	–	–	10,375	–	10,375
Lapse of share options transferred to retained profits	–	–	–	–	–	–	–	–	–	–	1,161	1,161	(1,161)	–
Dividends recognised as distribution (note 14)	–	–	–	–	–	–	–	–	–	–	(121,610)	(121,610)	–	(121,610)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(74,900)	(74,900)
At 31 March 2013	176,891	2,617,925	25,500	13,808	(3,704)	444,511	14,559	–	(13,593)	1,475,804	3,260,829	8,012,530	1,137,930	9,150,460

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2013

	2013 HK$'000	2012 HK$'000
Operating activities		
Profit before taxation	**1,023,979**	717,656
Adjustments for:		
Share of results of jointly controlled entities	**2,904**	(7,014)
Share of results of associates	**(73,656)**	(23,843)
Depreciation and amortisation	**178,034**	149,407
Dividend from listed and unlisted investments	**(4,761)**	(4,112)
Interest income	**(6,754)**	(3,808)
Interest expenses	**168,033**	166,479
Gain on disposal of a subsidiary	**(458,358)**	–
Impairment loss on interest in a jointly controlled entity	**40,951**	–
Change in fair value of investment properties	**(298,603)**	(148,302)
Loss on transfer of property inventory to investment properties	**–**	2,004
Amortisation of issue expenses on convertible bonds	**127**	11,661
(Gain) loss on disposal of available-for-sale investments	**(2,838)**	15,027
Change in fair value of financial assets at fair value through profit or loss	**–**	(145)
Change in fair value of investments held for trading	**(5,140)**	9,975
Change in fair value of derivative financial instruments	**11,380**	34,403
Recognition of share-based payment expenses	**4,726**	5,382
Gain on disposal of property, plant and equipment	**(424)**	(380,799)
Net impairment loss recognised (reversed) on bad and doubtful debts	**35,647**	(528)
Operating cash flows before movements in working capital	**615,247**	543,443
Increase in properties for sale	**(365,333)**	(941,130)
Decrease (increase) in other inventories	**1,593**	(2,494)
Increase in debtors, deposits and prepayments	**(155,408)**	(48,099)
(Increase) decrease in financial assets at fair value through profit or loss	**(119,818)**	56,341
Decrease (increase) in derivative financial instruments	**2,321**	(102,136)
Increase in creditors and accruals	**206,388**	196,085
Increase in customers' deposits received	**761,206**	21,040
Cash from (used in) operations	**946,196**	(276,950)
Income tax paid	**(178,295)**	(51,039)
Net cash from (used in) operating activities	**767,901**	(327,989)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2013

	Note	2013 HK$'000	2012 HK$'000
Investing activities			
Acquisition and development expenditures of property, plant and equipment		**(1,010,210)**	(779,705)
Addition of prepaid lease payments		**–**	(16,388)
Development expenditures and additional cost of investment properties		**(32,763)**	(27,760)
Additional cost in assets classified as held for sale		**(1,343)**	(10,419)
Acquisition of an associate		**–**	(36,395)
Distribution from an associate upon liquidation		**9,061**	–
Repayment from associates		**–**	4,327
Net cash inflow from disposal of a subsidiary	42	**764,278**	–
Proceeds from disposal of investments properties		**17,275**	–
Proceeds from disposal of property, plant and equipment		**1,359**	509,048
Proceeds from disposal of assets held for sale		**325,867**	–
Purchase of available-for-sale investments		**(189,389)**	(235,794)
Proceeds from disposal of available-for-sale investments		**78,394**	359,063
Deposit paid for acquisition of property, plant and equipment		**–**	(24,880)
Placement of pledged bank deposits and restricted bank deposits		**(270,791)**	(364,516)
Release of pledged bank deposits and restricted bank deposits		**206,265**	273,169
Placement of time deposit with maturity over 3 months		**(12,500)**	–
Dividend and distribution received from associate and jointly controlled entity		**5,145**	16,169
Dividend received from listed investments		**4,761**	4,112
Bank interest received		**6,754**	3,808
Net cash used in investing activities		**(97,837)**	(326,161)
Financing activities			
Proceeds from issue of bonds		**1,244,000**	–
Proceeds from issue of shares		**10,375**	–
Repurchase of shares		**(288,225)**	–
Repurchase/redemption of convertible bonds		**–**	(698,487)
Advance from related companies		**16,495**	–
Acquisition of additional interest in subsidiaries		**(15,351)**	–
New bank and other borrowings raised		**2,505,270**	1,797,732
Repayments of bank and other borrowings		**(2,309,667)**	(725,694)
Payments of finance lease obligation		**(405)**	(345)
Repayments to related companies		**–**	(129)
Repayments to associates		**(424)**	(5,073)
Dividend paid		**(67,531)**	(58,833)
Dividend paid to non-controlling shareholders of subsidiaries		**(74,900)**	(32,280)
Interest paid		**(343,246)**	(241,948)
Net cash from financing activities		**676,391**	34,943
Net increase (decrease) in cash and cash equivalents		**1,346,455**	(619,207)
Cash and cash equivalents brought forward		**1,374,980**	1,986,347
Effect of foreign exchange rate changes		**(782)**	7,840
Cash and cash equivalents carried forward		**2,720,653**	1,374,980
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		**2,620,653**	1,374,980
Deposit in a financial institution		**100,000**	–
		2,720,653	1,374,980

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2013

1. GENERAL

The Company is a public limited company 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 2013 annual report issued by the Company.

The principal activities of the Group are property development, property investment and property trading, hotel operation and management, car park operations and treasury management.

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")

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are effective for the Group's financial year beginning on 1 April 2012.

Amendments to HKFRSs 7	Financial Instruments: Disclosures – Transfers of Financial Assets

The application of the amendments to HKFRSs has had no material effect on the consolidated financial statements for the current or prior accounting periods.

NEW AND REVISED HKFRSS ISSUED BUT NOT EFFECTIVE

The Group has not early applied the following new and revised standards, amendments or interpretation that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] *Effective for annual periods beginning on or after 1 January 2013*

[2] *Effective for annual periods beginning on or after 1 January 2014*

[3] *Effective for annual periods beginning on or after 1 January 2015*

[4] *Effective for annual periods beginning on or after 1 July 2012*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

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

NEW AND REVISED HKFRSS ISSUED BUT NOT EFFECTIVE (Continued)

Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in June 2012

The *Annual Improvements to HKFRSs 2009 – 2011 Cycle* include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include the amendments to HKAS 16 Property, Plant and Equipment and the amendments to HKAS 32 *Financial Instruments: Presentation*.

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The directors do not anticipate that the application of the amendments will have a material effect on the Group's consolidated financial statements.

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and on transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. The directors anticipate that the amendments to HKAS 32 will have no effect on the Group's consolidated financial statements as the Group has already adopted this treatment.

HKFRS 9 FINANCIAL INSTRUMENTS

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes requirements for financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities (designated as at fair value through profit or loss,) HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the 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 at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors of the Company anticipate that HKFRS 9 will be adopted in the Group's financial statements for the financial period beginning 1 April 2015 and may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

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

NEW AND REVISED STANDARDS ON CONSOLIDATION, JOINT ARRANGEMENTS, ASSOCIATES AND DISCLOSURE

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HK(SIC) – Int 12 *Consolidation – Special Purpose Entities* will be withdrawn upon the effective date of HKFRS10. Under HKFRS10, there is only one basis for consolidation that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK(SIC) – Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Ventures* will be withdrawn upon the effective date of HKFRS". Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after January 2013 with earlier application is permitted provided that all of these standards are applied at the same time.

The directors anticipate that these standards will be adopted in the Group's financial period beginning 1 April 2013. However, the directors are in the process of assessing the potential impact of these standards, and at this stage have not yet determined the effect of the application of these standards on amounts reported in the consolidated financial statements.

HKFRS 13 FAIR VALUE MEASUREMENT

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's financial period beginning 1 April 2013 and the application of the new standard may affect certain amounts reported in consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

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

AMENDMENTS TO HKAS 1 PRESENTATION OF ITEMS OF OTHER COMPREHENSIVE INCOME

The amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, an 'income statement' is renamed as a 'statement of profit or loss'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for the Group's annual period beginning on 1 April 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretation will have no material impact on the consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values, 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 or services.

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

The significant accounting policies adopted are set out below:

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses have been eliminated in full on consolidation.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF CONSOLIDATION (Continued)

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary 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.

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 other reserve and attributed to owners of the Company.

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognise as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified 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 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

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

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 re-assessment, 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 their fair value or, when applicable, on the basis specified in another standard.

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 made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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

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

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the 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 whenever 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 the carrying amount of the unit, 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 pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. 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 the amount of profit or loss on disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENT PROPERTIES

Investment properties are properties held to earn rentals and/or capital appreciation including properties under construction for such purpose. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or 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 disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the item 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.

PROPERTY, PLANT AND EQUIPMENT

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

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than buildings and hotel under development less their residual values over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method. 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 or, where shorter, the terms of the leases. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTIES FOR/UNDER DEVELOPMENT

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

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

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

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 a straight-line basis over the term of the relevant lease.

The Group as lessee

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, 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. 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 term 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 (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. 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.

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

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. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) 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 its associate, profits and losses resulting from the transactions with the associate are recognised in the Group' consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

JOINT VENTURES

Jointly controlled operations

When a group entity undertakes its activities under joint venture arrangements directly, constituted as jointly controlled operations, the assets and liabilities arising from those jointly controlled operations are recognised in the statement of financial position of the relevant entity on an accrual basis and classified according to the nature of the item. The Group's share of the income from jointly controlled operations, together with the expenses that it incurs are included in the consolidated income statement when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

JOINT VENTURES (Continued)

Jointly controlled entities

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity, the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

The financial statements of jointly controlled entities used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

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 a jointly controlled entity. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) 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.

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

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

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

ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to sale, which should be expected to quality for recognition as a completed sale within one year from the date of classification.

Non-current assets except for investment properties classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVENTORIES

Properties for sale

Properties for sale are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to estimated selling price less selling expenses.

Other inventories

Other inventories comprising food and beverage are stated at the lower of cost and net realisable value. Cost is calculated using first-in first-out method.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

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

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

Effective interest method

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

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or

- it is a part of an identified portfolio of 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss ("FVTPL") (Continued)

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

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

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

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, investee company, jointly controlled entity and debtors, pledged deposits, restricted bank deposits, deposit in a financial institution, time deposits and bank balances) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale investments

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

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

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

Impairment of financial assets

Financial assets, other than those designated at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where 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 financial assets have been affected.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade debtors, assets that are assessed not to be impaired individually are subsequently 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 is the difference between the asset's carrying amount and the present value of the 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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When such receivable 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 in which the impairment takes place.

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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed through profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve. For 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified either as 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 the group 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 purchase, sale, issue or cancellation of the Company's own equity instruments.

Transaction costs for the issue of shares are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to issue of shares that otherwise would have been avoided.

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 financial liability at initial recognition. Interest expense is recognised on an effective interest basis.

Financial liabilities

The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

Convertible bonds

Convertible bonds issued by the Group with conversion option that will be settled by the exchange of a fixed amount of cash or a fixed number of the Company's own equity instruments are separated into two components, liability and equity elements. Such convertible bonds are classified separately into respective items on initial recognition.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bond and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bond into equity, is included in convertible bond equity reserve under equity.

In subsequent periods, the liability component of the convertible bond is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bond equity reserve until the conversion option is exercised in which case the balance stated in convertible bond equity reserve will be transferred to share premium. Where the conversion option remains unexercised at the expiry date, the balance stated in convertible bond equity reserve will be released to the retained profits. No gain or loss is recognised in profit or loss upon conversion or at the expiry date of the option.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bonds (Continued)

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

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

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

(a) the amount of gain or loss relating to the liability component is recognised in profit or loss; and

(b) the amount of consideration relating to the equity component is recognised in equity.

Financial liabilities at fair value through profit or loss

A financial liability carried at FVTPL when the financial liabilities are either held for trading or those designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or

- it is a part of an identified portfolio of 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 (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at fair value through profit or loss (Continued)

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

Other financial liabilities

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

Bonds issued by the Group are measured at amortised cost using effective interest method. Transaction costs are included in the carrying amount of the bonds and amortised over the period of the bonds using the effective interest method.

Derivative financial instruments and hedging

Derivatives are initially recognised at fair value at the date when a derivative contract is 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. At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

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 in hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss in the line item relating to the hedged 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 is recognised in profit or loss, in the same line of the consolidated income statement as the recognised hedged item.

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

Derecognition

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Derecognition (Continued)

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 derecognise financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. 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 in the ordinary course of business is recognised when the respective properties have been completed and delivered to the buyers. Deposits and instalments received from purchasers prior to meeting the revenue recognition criteria are recorded as sales deposits under current liabilities.
- Revenue from hotel operations and hotel management service fee are recognised when the relevant services are provided.
- Revenue from car park operations is recognised when the relevant facilities are provided.
- Rental income from properties under operating leases is recognised on a straight-line basis over the periods of the respective tenancies.
- 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 from financial asset 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 Group's rights to receive payment have been established.

FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity ("foreign currencies") are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the 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 arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FOREIGN CURRENCIES (Continued)

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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 capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing cost 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 service entitling them to the contributions.

EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

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

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

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately 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.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

At the time when the Group modifies the terms and conditions of the share options previously granted, if the modification increases the fair value of the equity instruments granted measured immediately before and after the modification, the entity shall include the incremental fair value granted in the measurement of the amount recognised for services received as consideration for the equity instruments granted. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. If the modification occurs after vesting date, the incremental fair value granted is recognised immediately.

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.

Equity instruments issued in exchange for assets

Equity instruments to acquire assets are measured at the fair values of the assets received, unless that fair value cannot be reliably measured, in which case the assets received are measured by reference to the fair value of the equity instruments granted.

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 taxation as reported in the consolidated income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax liabilities are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on 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 deductible temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on interests in subsidiaries, associates and jointly controlled entities, 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

TAXATION (Continued)

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 is realised, based on tax rate (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 for investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property", such properties are presumed to be recovered through sale. Such a presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

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

IMPAIRMENT LOSSES ON TANGIBLE ASSETS

At the end of the 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 to sell 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 in prior years. A reversal of an impairment loss is recognised as income immediately.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

FAIR VALUE OF INVESTMENT PROPERTIES

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain assumption of market conditions. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

IMPAIRMENT OF GOODWILL

Determining whether goodwill is impaired requires an estimation of the value in use of the relevant cash-generating units, to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2013, the carrying amount of goodwill is HK$68,400,000 (2012: HK$68,400,000). Details of the calculation of the recoverable amount are disclosed in note 20.

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 capital structure of the Group consists of net debts (which includes bank and other borrowings, convertible bonds and bonds disclosed in notes 34, 36 and 37, respectively, net of bank balances and cash, time deposits, restricted bank deposits, pledged deposits and deposit in a financial institution), and equity attributable to shareholders of the Company, comprising issued share capital, share premium, reserves, and non-controlling interests.

The Group actively and regularly reviews and manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions.

The Group's overall strategy remains unchanged from prior year.

6. FINANCIAL INSTRUMENTS

A. CATEGORIES OF FINANCIAL INSTRUMENTS

	2013 HK$'000	2012 HK$'000
Financial assets		
Fair value through profit or loss (FVTPL)		
Designated at FVTPL	**109,780**	7,750
Held for trading	**23,386**	458
Derivative financial instruments	**5,354**	10
Available-for-sale investments	**151,420**	34,884
Loans and receivables (including cash and cash equivalents)	**3,815,428**	2,313,498
	4,105,368	2,356,600
Financial liabilities		
Fair value through profit or loss (FVTPL)	**27,883**	1,245
Amortised cost	**8,660,788**	7,036,638
	8,688,671	7,037,883

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

6. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Interest rate risk

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

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

Interest rate sensitivity analysis

The sensitivity analysis considers only borrowings which have significant impact on the 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 (2012: 50 basis points) and all other variables were held constant, the Group's profit after taxation would decrease/increase by HK$15,079,000 (2012: HK$16,278,000) and the interest capitalised would increase/decrease by HK$14,446,000 (2012: HK$11,931,000).

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

Foreign currency risk

Certain group entities have transactions denominated in foreign currencies which exposure the Group to foreign currency risk. The Group manages the foreign currency risk by 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:

	2013 HK$'000	2012 HK$'000
Assets		
Australian Dollar ("A$")	**106,526**	1,184
Japanese Yen ("JPY")	**8,403**	9,197
Renminbi ("RMB")	**6,174**	5,621
Canadian Dollars ("C$")	**4,588**	4,829
United States Dollar ("USD")	**40,739**	151,036
Euro ("EUR")	**679**	6,429
Singapore Dollars ("S$")	**6,614**	–
Great Britain Pound ("GBP")	**39,745**	–
Indonesian Rupiah ("IDR")	**4,084**	–

6. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risk is mainly on currencies other than USD for the individual group entity in Hong Kong since Hong Kong dollars are pegged to USD under the Linked Exchange Rate System and the management does not expect any significant exposure in relation to the exchange rate fluctuation between HK$ and USD. The following table details the Group's sensitivity to a 10% (2012: 10%) weakening in the HK$ against the relevant foreign currencies other than USD, 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	
	2013 HK$'000	**2012 HK$'000**
A$	**8,895**	99
JPY	**702**	768
RMB	**515**	469
C$	**383**	403
EUR	**57**	537
S$	**552**	–
GBP	**3,319**	–
IDR	**341**	–

In order to eliminate the exposure of the RMB-denominated bonds issued during the year, the Group entered into two cross currency swap contracts to receive RMB against US$ based on the bonds' notional amount of RMB1,000,000,000 in total. This notional amount represents the total interest payments and principal to be paid during three-year tenor.

The sensitivity analysis below has been determined based on the RMB exposure to the hedged item (i.e. RMB-denominated bonds) and its hedging instruments (i.e. the cross currency swap contracts designated as hedging instruments) at 31 March 2013. A 1% increase or decrease in RMB represents management's assessment of the reasonably possible change in exchange rates.

If RMB is 1% higher/lower (i.e. spot rate for the hedged item and forward rate for the cross currency swap contracts) against the US$ and all other variables remain constant, the net effect of the hedged item and the hedging instruments to the Group's hedging reserve would be debited by HK$6,008,000 and HK$8,873,000 respectively.

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

Price risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

6. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Price risk (Continued)

Price risk sensitivity analysis

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

If the price of the respective equity securities have been 10% (2012: 10%) higher/lower:

- profit after tax would increase/decrease by HK$8,088,000 (2012: HK$38,000) as a result of the changes in fair value of held-for trading investments.

- investment revaluation reserve would increase/decrease by HK$15,142,000 (2012: HK$2,325,000) 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 and the contingent liabilities in relation to the financial guarantee issued by the Group as disclosed in note 45. 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 investee company, associates and jointly controlled entities and other receivables, which in aggregate, constitute over 8% (2012: 10%) 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 investee company, associates and jointly controlled entities, the Group takes into consideration the fair values of the underlying assets of the investee company, associates and joinly controlled entities and the future operation and expected operating cashflows of these investee company, associates and jointly controlled entities. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

Liquidity risk

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

6. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

	Weighted average interest rate %	On demand or 0-180 days HK$'000	181-365 days HK$'000	One to three years HK$'000	Three to five years HK$'000	Over five years HK$'000	Total HK$'000	Carrying amount HK$'000
At 31 March 2013								
Creditors and accruals	N/A	645,340	–	10,000	–	–	655,340	655,340
Amounts due to related companies	N/A	62,660	–	–	–	–	62,660	62,660
Amounts due to associates	N/A	12,453	–	–	–	–	12,453	12,453
Amounts due to non-controlling shareholders of subsidiaries	N/A	30,070	–	–	–	–	30,070	30,070
Bank and other borrowing								
Fixed interest rate instruments	8.53	15,311	–	–	–	–	15,311	15,000
Variable interest rate instruments	2.71	3,800,466	1,080,034	1,564,168	224,128	174,003	6,842,799	6,602,928
Convertible bonds	6.29	607	607	34,715	–	–	35,929	31,169
Obligations under finance leases	2.70	109	55	1,138	–	–	1,302	1,168
Bonds	5.875	36,719	36,719	1,390,875	–	–	1,464,313	1,250,000
		4,603,735	1,117,415	3,000,896	224,128	174,003	9,120,177	8,660,788

	Weighted average interest rate %	On demand or 0-180 days HK$'000	181-365 days HK$'000	One to three years HK$'000	Three to five years HK$'000	Over five years HK$'000	Total HK$'000	Carrying amount HK$'000
At 31 March 2012								
Creditors and accruals	N/A	531,671	–	–	–	–	531,671	531,671
Amounts due to related companies	N/A	46,165	–	–	–	–	46,165	46,165
Amounts due to associates	N/A	12,877	–	–	–	–	12,877	12,877
Amounts due to non-controlling shareholders of subsidiaries	N/A	30,070	–	–	–	–	30,070	30,070
Bank and other borrowing								
Fixed interest rate instruments	6.35	6,729	33,431	57,543	31,528	26,878	156,109	129,022
Variable interest rate instruments	2.65	1,700,959	165,644	4,332,537	184,981	254,433	6,638,554	6,256,067
Convertible bonds	6.29	607	607	35,929	–	–	37,143	30,074
Obligations under finance leases	2.70	146	78	625	–	–	849	692
		2,329,224	199,760	4,426,634	216,509	281,311	7,453,438	7,036,638

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

6. FINANCIAL INSTRUMENTS (Continued)

B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

Bank loans with a repayment on demand clause with carrying amount of HK$1,114,796,000 (2012: HK$504,208,000) are included in the "on demand or 0-180 days" time band in the above maturity analysis but repayments are expected to be in accordance with the loan repayment schedule which are repayable by yearly instalment up to March 2019 (2012: July 2016). Taking into account the Group's financial position, the directors believe that it is not probable that the counterparties will exercise their discretionary rights to demand immediate repayment and such term loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreement. On this basis, the interest and principal cashflows for the "Variable interest rate instruments" and "Fixed interest rate instruments" would be as follows:

	On demand or 0-180 days HK$'000	181-365 days HK$'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
At 31 March 2013							
Variable interest rate instruments	**2,685,670**	**1,157,708**	**2,363,015**	**634,478**	**174,003**	**7,014,874**	**6,602,928**
Fixed interest rate instruments	**15,311**	**–**	**–**	**–**	**–**	**15,311**	**15,000**
	2,700,981	**1,157,708**	**2,363,015**	**634,478**	**174,003**	**7,030,185**	**6,617,928**
At 31 March 2012							
Variable interest rate instruments	1,196,751	306,147	4,761,795	309,642	254,433	6,828,768	6,256,067
Fixed interest rate instruments	6,729	33,431	57,543	31,528	26,878	156,109	129,022
	1,203,480	339,578	4,819,338	341,170	281,311	6,984,877	6,385,089

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 MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

6. FINANCIAL INSTRUMENTS (Continued)

C. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that included inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2013			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at FVTPL				
Derivative financial assets	–	5,354	–	5,354
Non-derivative financial assets held for trading	23,386	–	–	23,386
Financial assets designated at fair value through profit or loss	28,554	73,476	7,750	109,780
	51,940	78,830	7,750	138,520
Available-for-sale financial assets				
Listed equity securities	11,037	–	–	11,037
Unlisted debt securities	–	98,571	–	98,571
Club membership	–	688	–	688
Investment funds	–	41,120	–	41,120
Total	11,037	140,379	–	151,416
Financial liabilities at FVTPL				
Derivative financial liabilities	–	20,290	–	20,290
Derivative financial instruments designated as hedging instruments	–	7,593	–	7,593
	–	27,883	–	27,883

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

6. FINANCIAL INSTRUMENTS (Continued)

C. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

	2012			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at FVTPL				
Derivative financial assets	–	10	–	10
Non-derivative financial assets held for trading	458	–	–	458
Financial assets designated at fair value through profit or loss	–	–	7,750	7,750
	458	10	7,750	8,218
Available-for-sale financial assets				
Listed equity securities	4,252	–	–	4,252
Unlisted debt securities	–	301	–	301
Club membership	–	688	–	688
Investment funds	–	18,694	–	18,694
Total	4,252	19,683	–	23,935
Financial liabilities at FVTPL				
Derivative financial liabilities	–	1,245	–	1,245

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

6. FINANCIAL INSTRUMENTS (Continued)

C. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

There were no transfers between Level 1, 2 and 3 in the current year.

Reconciliation of Level 3 fair value measurements of financial assets at fair value through profit or loss is as follows:

	2013 HK$'000	2012 HK$'000
At beginning of the year	**7,750**	12,690
Change in fair value recognised in profit or loss	–	145
Disposals	–	(5,085)
At end of the year	**7,750**	7,750

7. SEGMENT INFORMATION

The Group determines its operating segments based on internal reporting about components that are regularly reviewed by the chief operating decision maker. Information reported to the Group's chief operating decision makers, who are the executive directors of the Company, for the purposes of resource allocation and assessment of performance is mainly focused on the property development, property investment, hotel operation and management, and car park operation 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.

SEGMENT REVENUE AND RESULTS

The following is an analysis of the Group's revenue and results by reportable and operating segment. 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 profit (loss) earned (incurred) by each segment without allocation of central administrative costs, directors' salaries and certain finance costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

7. SEGMENT INFORMATION (Continued)

SEGMENT REVENUE AND RESULTS (Continued)

	Segment revenue		Segment profit (loss)	
	2013 HK$'000	2012 HK$'000	2013 HK$'000	2012 HK$'000
Property development				
– Australia	**1,838,519**	3,533	**159,995**	(6,843)
– Hong Kong ("HK")	**95,174**	13,632	**24,825**	(13,719)
– Malaysia	**478**	736	**1,790**	2,354
– Other regions in People's Republic of China excluding HK ("PRC")	**11,377**	28,391	**(13,070)**	2,955
	1,945,548	46,292	**173,540**	(15,253)
Property investment				
– HK	**32,769**	28,365	**372,992**	155,673
– PRC	**12,848**	12,215	**(17,789)**	(3,914)
– Singapore	**16,166**	25,916	**(14,241)**	35,552
	61,783	66,496	**340,962**	187,311
Hotel operation and management				
– HK	**744,712**	707,866	**702,899**	660,284
– Malaysia	**288,140**	294,162	**45,486**	48,149
– PRC	**120,090**	94,069	**(43,675)**	(28,120)
– Singapore	**–**	–	**(13,366)**	(6,229)
– United Kingdom ("UK")	**–**	–	**979**	(717)
	1,152,942	1,096,097	**692,323**	673,367
Car park operation				
– Australia	**549,812**	518,496	**38,308**	42,433
– Malaysia	**17,548**	18,571	**7,559**	8,427
	567,360	537,067	**45,867**	50,860
Securities and financial product investments	**4,535**	12,583	**3,765**	(41,769)
Other operations	**4**	2,416	**(71,602)**	1,948
Segment revenue/segment profit	**3,732,172**	1,760,951	**1,184,855**	856,464
Unallocated corporate expenses			**(92,848)**	(63,032)
Finance costs			**(68,028)**	(75,776)
Profit before taxation			**1,023,979**	717,656
Income tax credit (expense)			**54,391**	(103,131)
Profit for the year			**1,078,370**	614,525

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

7. SEGMENT INFORMATION (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.

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 deposits in a financial institution.

	2013 HK$'000	2012 HK$'000
Property development		
– Australia	**1,196,815**	1,513,133
– HK	**1,220,918**	730,396
– Malaysia	**373,007**	382,398
– PRC	**2,430,818**	1,772,613
	5,221,558	4,398,540
Property investment		
– HK	**2,151,464**	1,730,192
– PRC	**6,887**	3,671
– Singapore	**297,758**	605,411
	2,456,109	2,339,274
Hotel operation and management		
– HK	**3,640,069**	3,592,814
– Malaysia	**1,077,778**	1,071,588
– PRC	**2,059,279**	1,927,506
– Singapore	**943,753**	694,845
– UK	**558,740**	261,043
	8,279,619	7,547,796
Car park operation		
– Australia	**721,398**	707,176
– Malaysia	**154,050**	155,996
	875,448	863,172
Securities and financial product investments	**300,204**	50,763
Other operations	**294,022**	352,437
Segment assets	**17,426,960**	15,551,982
Unallocated corporate assets	**1,991,134**	841,333
Total assets	**19,418,094**	16,393,315

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

7. SEGMENT INFORMATION (Continued)

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 which exclude financial instruments and deferred tax assets and by location of assets.

	Revenue from external customers		Non-current assets	
	2013 HK$'000	2012 HK$'000	2013 HK$'000	2012 HK$'000
HK	**877,194**	765,598	**4,928,945**	4,382,523
PRC	**144,315**	134,675	**2,383,882**	2,426,010
Australia	**2,388,331**	522,029	**723,702**	706,609
Malaysia	**306,166**	312,733	**1,153,874**	1,170,152
Singapore	**16,166**	25,916	**868,646**	706,837
UK	**–**	–	**482,260**	216,764
	3,732,172	1,760,951	**10,541,309**	9,608,895

OTHER INFORMATION

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

	2013						
	Property development HK$'000	Property investment HK$'000	Hotel operation and management HK$'000	Car park operation HK$'000	Securities and financial product investments HK$'000	Other operations HK$'000	Consolidated HK$'000
Allowance for bad and doubtful debts	(11,806)	(207)	(80)	–	–	(23,554)	(35,647)
Depreciation and amortisation	(4,468)	(7,673)	(137,879)	(21,249)	–	(4,665)	(175,934)
Amortisation of intangible assets	–	–	–	(2,100)	–	–	(2,100)
(Decrease) increase in fair value of investment properties	(135)	298,738	–	–	–	–	298,603
Change in fair value of investments held for trading	–	–	–	–	5,140	–	5,140
Gain on disposal of available-for-sale investments	–	–	–	–	2,838	–	2,838
Increase (decrease) in fair value of derivative financial instruments	–	–	(8,307)	–	(3,073)	–	(11,380)
Gain on disposal of property, plant and equipment	–	–	424	–	–	–	424
Gain on disposal of a subsidiary	–	–	458,358	–	–	–	458,358
Impairment loss on jointly controlled entities	–	–	–	–	–	(40,951)	(40,951)
Share of results of associates	–	74,578	–	–	–	(922)	73,656
Share of results of jointly controlled entities	–	–	–	–	–	(2,904)	(2,904)
Interests in associates	–	255,082	59,963	–	–	563	315,608
Interest in jointly controlled entities	32,387	–	–	–	–	14,728	47,115
Addition of non-current assets (excluding of financial instrument)	75	39,695	1,008,662	23,564	–	26,208	1,098,204

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

7. SEGMENT INFORMATION (Continued)

OTHER INFORMATION (Continued)

	2012						
	Property development HK$'000	Property investment HK$'000	Hotel operation and management HK$'000	Car park operation HK$'000	Securities and financial product investments HK$'000	Other operations HK$'000	Consolidated HK$'000
Reversal of (allowance for) bad and doubtful debts	3,092	(2,338)	(673)	–	–	447	528
Depreciation and amortisation	(6,633)	(771)	(118,545)	(17,427)	–	(3,459)	(146,835)
Amortisation of intangible assets	–	–	–	(2,572)	–	–	(2,572)
Increase in fair value of investment properties	2,420	144,064	1,818	–	–	–	148,302
Increase in fair value of financial assets at fair value through profit or loss	–	–	–	–	145	–	145
Change in fair value of investments held for trading	–	–	–	–	(9,975)	–	(9,975)
Loss on disposal of available-for-sale investments	–	(85)	–	–	(14,942)	–	(15,027)
Decrease in fair value of derivative financial instruments	–	–	(1,911)	–	(32,492)	–	(34,403)
Loss on transfer of property inventory to investment properties	(2,004)	–	–	–	–	–	(2,004)
Gain on disposal of property, plant and equipment	281	306	379,465	46	–	701	380,799
Share of results of associates	–	23,843	–	–	–	–	23,843
Share of results of jointly controlled entities	7,014	–	–	–	–	–	7,014
Interests in associates	–	186,211	59,963	–	–	9,984	256,158
Interests in jointly controlled entities	32,382	–	–	–	–	58,584	90,966
Addition of other non-current assets (excluding financial instruments)	7,698	31,993	785,249	12,406	–	23,428	860,744

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

8. REVENUE

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

	2013 HK$'000	2012 HK$'000
Sale of properties	**1,934,048**	32,269
Leasing of properties	**108,512**	113,422
Hotel operation and management	**1,105,394**	1,051,226
Car park operations	**567,404**	536,899
Provision of property management services	**12,275**	14,238
Interest income from financial instruments	**4,535**	12,583
Other operations	**4**	314
	3,732,172	1,760,951

9. OTHER GAINS AND LOSSES

	2013 HK$'000	2012 HK$'000
Change in fair value of investment properties	**298,603**	148,302
Gain (loss) on disposal of available-for-sale investments	**2,838**	(15,027)
Change in fair value of financial assets at fair value through profit or loss	**–**	145
Change in fair value of investments held for trading	**5,140**	(9,975)
Change in fair value of derivative financial instruments	**(11,380)**	(34,403)
Loss on transfer of property inventory to investment properties	**–**	(2,004)
Net impairment loss (recognised) reversed on bad and doubtful debts	**(35,647)**	528
Impairment loss on interest in a jointly controlled entity	**(40,951)**	–
	218,603	87,566

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

10. FINANCE COSTS

	2013 HK$'000	2012 HK$'000
Interest on bank borrowings		
– wholly repayable within five years	**314,817**	172,730
– not wholly repayable within five years	**27,110**	40,203
Other loans wholly repayable within five years	**4,550**	785
Convertible bonds	**2,182**	35,709
Bonds	**5,432**	–
Finance leases	**21**	29
Amortisation of front-end fee	**15,215**	16,889
Others	**1,338**	2,025
Total interest costs	**370,665**	268,370
Less: amounts capitalised to properties under development:		
– investment properties	**(3,239)**	(1,744)
– properties for owners' occupation	**(45,749)**	(23,787)
– properties for sale	**(153,644)**	(76,360)
	168,033	166,479

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

11. INCOME TAX (CREDIT) EXPENSE

	2013 HK$'000	2012 HK$'000
The income tax (credit) expense comprises:		
Current tax:		
Hong Kong Profits Tax	**47,488**	59,864
PRC Enterprise Income Tax ("EIT")	**49,560**	5,390
PRC Land Appreciation Tax ("LAT")	**–**	3,652
Malaysia Income Tax	**6,248**	12,476
Australia Income Tax	**22,005**	9,620
Singapore Income Tax	**1,166**	162
	126,467	91,164
(Over)under provision in prior years:		
Hong Kong Profits Tax	**4,312**	(5,942)
PRC LAT (note)	**(192,657)**	–
Malaysia Income Tax	**43**	5
Australia Income Tax	**–**	7,355
Singapore Income Tax	**–**	(30)
	(188,302)	1,388
Deferred taxation (note 39)	**7,444**	10,579
	(54,391)	103,131

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year of each individual companies 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 progressive rates ranging from 30% to 60% on the appreciated land value of the properties sold, less deduction in accordance with the relevant PRC Tax laws and regulations.

The domestic statutory tax rate of Australia, Malaysia and Singapore is 30%, 25% and 17% of the estimated assessable profit for the year.

Note: During the year ended 31 March 2013, the local tax authority in PRC agreed to use the deemed levying rates to calculate the PRC LAT for certain property development projects of the Group that have been sold and recognised as revenue in the consolidated financial statements in previous years, for which PRC LAT based on the progressive rates was provided for. The resulting overprovision of PRC LAT amounting to HK$192,657,000 was reversed in the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

11. INCOME TAX EXPENSE (Continued)

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

	Hong Kong HK$'000	PRC HK$'000	Malaysia HK$'000	Australia HK$'000	Others HK$'000	Total HK$'000
2013						
Profit (loss) before taxation	1,010,460	(94,369)	36,845	97,524	(26,481)	1,023,979
Applicable income tax rate	16.5%	25%	25%	30%	15.2%	
Tax at the applicable income tax rate	166,726	(23,592)	9,211	29,257	(4,033)	177,569
Tax effect of expenses not deductible for tax purpose	25,973	11,206	6,698	6,132	7,360	57,369
Tax effect of income not taxable	(136,627)	(429)	(2,229)	(1,636)	(6,511)	(147,432)
Overprovision of PRC LAT in prior year	–	(192,657)	–	–	–	(192,657)
Tax effect of PRC LAT	–	48,164	–	–	–	48,164
Tax effect of deductible temporary difference not recognised	1,790	–	1,979	–	–	3,769
Tax effect of tax losses not recognised	11,914	12,060	–	–	2,272	26,246
Utilisation of tax losses not previously recognised	(5,984)	(1,044)	(6,989)	(14,011)	(1)	(28,029)
Tax effect of share of results of associates	(12,153)	–	–	–	–	(12,153)
Tax effect of share of results of jointly controlled entities	–	726	–	–	–	726
Underprovision in prior years	4,312	–	43	–	–	4,355
Others	5,265	–	(243)	2,263	397	7,682
Income tax expense (credit) for the year	61,216	(145,566)	8,470	22,005	(516)	(54,391)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

11. INCOME TAX EXPENSE (Continued)

	Hong Kong HK$'000	PRC HK$'000	Malaysia HK$'000	Australia HK$'000	Others HK$'000	Total HK$'000
2012						
Profit (loss) before taxation	643,151	(30,322)	59,456	10,953	34,418	717,656
Applicable income tax rate	16.5%	25%	25%	30%	19%	
Tax at the applicable income tax rate	106,120	(7,580)	14,864	3,286	6,501	123,191
Tax effect of expenses not deductible for tax purpose	17,040	10,019	5,415	4,856	791	38,121
Tax effect of income not taxable	(64,953)	(1,588)	(1,660)	(314)	(7,079)	(75,594)
PRC LAT	–	3,652	–	–	–	3,652
Tax effect of PRC LAT	–	(913)	–	–	–	(913)
Utilisation of deductible temporary difference not recognised	(12)	–	–	–	–	(12)
Tax effect of deductible temporary difference not recognised	1,797	–	–	–	–	1,797
Tax effect of tax losses not recognised	19,767	6,151	1	2,558	1,143	29,620
Utilisation of tax losses not previously recognised	(4,809)	–	(6,622)	(1,367)	–	(12,798)
Tax effect of share of results of associates	(3,934)	–	–	–	–	(3,934)
Tax effect of share of results of jointly controlled entities	–	–	–	(2,104)	–	(2,104)
(Over)underprovision in prior years	(5,942)	–	5	7,355	(30)	1,388
Others	(1,922)	650	478	2,705	(1,194)	717
Income tax expense for the year	63,152	10,391	12,481	16,975	132	103,131

Details of the deferred taxation are set out in note 39.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

12. PROFIT FOR THE YEAR

	2013 HK$'000	2012 HK$'000
Profit for the year has been arrived at after charging:		
Cost of properties sold recognised as an expense	**1,678,976**	14,761
Auditor's remuneration	**10,774**	11,569
Depreciation	**163,798**	138,392
Amortisation of prepaid lease payments	**13,256**	9,537
Less: Amount capitalised to properties under development for owners' occupation	**(1,120)**	(1,094)
	12,136	8,443
Amortisation of intangible assets	**2,100**	2,572
Amortisation of investment in a jointly controlled entity (included in share of results of jointly controlled entities)	**2,904**	2,904
Allowance for bad and doubtful debts	**35,647**	–
Staff costs		
Directors' emolument (note 15(a))	**19,220**	22,446
Other staff	**465,898**	400,931
Share option payment expense for other staff	**3,861**	5,382
	488,979	428,759
Share of taxation of associates (included in share of results of associates)	**1,705**	869
and crediting:		
Rental income, net of outgoings of HK$24,068,000 (2012: HK$20,033,000)	**87,785**	93,389
Gain on disposal of property, plant and equipment:		
– Hotel property (note 17)	**–**	380,288
– Others	**424**	511
	424	380,799
Dividend income from:		
Investment held for trading		
– Listed	**2,265**	1,847
Available-for-sale investments		
– Listed	**2,496**	2,244
– Unlisted	**–**	21
	4,761	4,112
Reversal of bad and doubtful debts	**–**	528
Bank interest income	**6,754**	3,808

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

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$903,046,000 (2012: HK$448,102,000) and the number of shares calculated as follows:

	2013 '000	2012 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,816,434**	1,932,776
Effect of dilutive potential ordinary shares		
– Company's share options	**1,076**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,817,510**	1,932,776

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

Further, the computation of diluted earnings per share for the year ended 31 March 2012 did not assume the exercise of the Company's outstanding share options as the exercise prices of those options are higher than the average market prices of the Company's shares during the year.

14. DIVIDENDS

	2013 HK$'000	2012 HK$'000
Dividends recognised as distribution during the year:		
2013 interim dividend of HK2 cents per share (2012: HK1 cent per share)	**35,122**	19,496
2012 final dividend of HK5 cents per share (2012: 2011 final dividend of HK5 cents per share)	**86,488**	95,913
	121,610	115,409

A final dividend for the year ended 31 March 2013 of HK11 cents (2012: HK5 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

Shareholders have an option to elect cash in lieu of new shares of the Company for the dividend proposed and paid during the year. Shares issued during the year on the shareholders' election for shares are set out in note 40.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

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

(A) DIRECTORS' AND CHIEF EXECUTIVE EMOLUMENTS

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

Name of directors	Fees HK$'000	Salaries, bonuses and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Share-based payment expenses HK$'000	Total HK$'000
For the year ended 31 March 2013					
Executive Directors:					
David CHIU	25	2,268	15	–	2,308
Dennis CHIU	25	3,419	71	–	3,515
Craig Grenfell WILLIAMS	25	8,819	201	–	9,045
Denny Chi Hing CHAN (appointed as director on 31 August 2012)	15	935	9	475	1,434
Chris Cheong Thard Hoong (appointed as director on 31 August 2012)	15	1,879	9	390	2,293
Non-executive Directors:					
Daniel Tat Jung CHIU	25	–	–	–	25
Independent Non-executive Directors:					
Kwok Wai CHAN	200	–	–	–	200
Peter Man Kong WONG	200	–	–	–	200
Kwong Siu LAM	200	–	–	–	200
	730	17,320	305	865	19,220

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

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

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

Name of directors	Fees	Salaries, bonuses and other benefits	Retirement benefit scheme contributions	Share-based payment expenses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31 March 2012					
Executive Directors:					
Deacon Te Ken CHIU (retired on 8 September 2011)	11	4,730	–	–	4,741
David CHIU	25	2,574	12	–	2,611
Dennis CHIU	25	3,383	59	–	3,467
Craig Grenfell WILLIAMS	25	10,556	223	–	10,804
Non-executive Directors:					
Ching Lan Ju CHIU (retired on 8 September 2011)	11	263	–	–	274
Daniel Tat Jung CHIU	25	–	–	–	25
Independent Non-executive Directors:					
Jian Yin JIANG (retired on 8 September 2011)	11	–	–	–	11
Kwok Wai CHAN	200	–	–	–	200
Peter Man Kong WONG	200	–	–	–	200
Kwong Siu LAM (appointed on 8 September 2011)	113	–	–	–	113
	646	21,506	294	–	22,446

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

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

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

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

Performance related incentive payment was paid/payable only to Craig Grenfell WILLIAMS of HK$4,030,000 (2012: HK$8,015,000) and included in salaries and other benefits, which is determined with reference to his performance.

Neither the chief executive nor any of the directors waived any emoluments in the years ended 31 March 2013 and 31 March 2012.

(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 50.

(C) EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2012: four) were directors whose emoluments are disclosed above. The remuneration of the remaining two (2012: one) individuals was as follows:

	2013 HK$'000	2012 HK$'000
Salaries and other benefits	**6,918**	2,410
Retirement benefit scheme contributions	**15**	12
Share-based payment expenses	**294**	1,074
	7,227	3,496

Their emoluments were within the following bands:

	2013 Number of employee	2012 Number of employees
HK$2,500,001 to HK$3,000,000	**1**	–
HK$3,000,001 to HK$3,500,000	**–**	1
HK$4,000,001 to HK$4,500,000	**1**	–
	2	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

16. INVESTMENT PROPERTIES

	Completed properties HK$'000	Properties under development HK$'000	Total HK$'000
At 1 April 2011	2,318,990	262,284	2,581,274
Additions	7,525	21,979	29,504
Transfer to property, plant and equipment	(14,106)	–	(14,106)
Transfer from properties for sales	14,026	–	14,026
Transfer to asset classified as held for sale	(328,861)	–	(328,861)
Increase in fair value	83,565	64,737	148,302
Exchange alignment	26,330	–	26,330
At 31 March 2012	2,107,469	349,000	2,456,469
Additions	16,318	24,684	41,002
Disposals	(17,275)	–	(17,275)
Transfer to property, plant and equipment	(73,500)	–	(73,500)
Transfer to other assets (note 19)	(296,250)	–	(296,250)
Increase in fair value	142,287	156,316	298,603
Exchange alignment	22,868	–	22,868
At 31 March 2013	**1,901,917**	**530,000**	**2,431,917**

	2013 HK$'000	2012 HK$'000
The carrying amount of investment properties which are stated at fair value are on land located:		
In Hong Kong:		
Long leases	**659,290**	516,000
Medium-term leases	**898,929**	826,000
Outside Hong Kong:		
Freehold	**76,198**	55,780
Long leases	**–**	273,949
Medium-term leases	**797,500**	784,740
	2,431,917	2,456,469

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

16. INVESTMENT PROPERTIES (Continued)

The fair value of the completed investment properties in Hong Kong and outside Hong Kong at 31 March 2013 have been arrived at on the basis of a valuation carried out on that date by DTZ Debenham Tie Leung Limited, Raine & Horne International Zaki + Partners Sdn. Bhd. and Jones Lang LaSalle Property Consultants Pte Ltd., independent firm of qualified professional valuers not connected to the Group, respectively. The valuation 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 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, DTZ Debenham Tie Leung Limited based on its analyses of recent land transactions and market value of similar completed properties in the relevant locations.

During the year ended 31 March 2013, the Group transferred certain investment properties located in Singapore with the fair value of S$47,400,000 (equivalent to HK$296,250,000) at 29 August 2012 to other assets (see note 19) upon receipt of Notice of Land Acquisition from the relevant government authority of Singapore on 29 August 2012.

During the year ended 31 March 2013 and 31 March 2012, the Group changed the use of certain floors of investment property, which were accordingly transferred from investment properties to property, plant and equipment at their fair value on the date of transfer.

In addition, during the year ended 31 March 2012, the Group transferred certain inventory of properties with carrying amount of HK$16,030,000 to investment properties at fair value of HK$14,026,000 upon change in use, which was evidenced by commencement of operating leases.

Investment properties with carrying amount of HK$2,020,374,000 (2012: HK$2,215,708,000) are under charge to secure bank borrowings of the relevant group entities.

The carrying amounts of investment properties under development at the end of the reporting period includes capitalised interest expense of HK$9,731,000 (2012: HK$6,492,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

17. PROPERTY, PLANT AND EQUIPMENT

	Properties		Leasehold improvements, furniture,	
	Completed HK$'000	Under development HK$'000	fixtures and equipment HK$'000	Total HK$'000
COST				
At 1st April 2011	4,149,928	1,433,805	333,294	5,917,027
Additions	204	698,598	105,169	803,971
Transfer upon completion of development	290,425	(308,569)	18,144	–
Transfer from investment properties	14,106	–	–	14,106
Transfer to properties for sale under development (note 23b)	(22,402)	–	–	(22,402)
Disposals	(142,905)	–	(17,029)	(159,934)
Exchange alignment	2,409	14,947	(524)	16,832
At 31 March 2012	4,291,765	1,838,781	439,054	6,569,600
Additions	2,186	944,795	125,289	1,072,270
Transfer upon completion of development	351,625	(411,169)	59,544	–
Transfer from investment properties	73,500	–	–	73,500
Disposals	–	–	(15,095)	(15,095)
Disposal of a subsidiary	(294,936)	–	(36,927)	(331,863)
Exchange alignment	4,170	(1,122)	(651)	2,397
At 31 March 2013	4,428,310	2,371,285	571,214	7,370,809
DEPRECIATION AND IMPAIRMENT				
At 1st April 2011	362,094	–	112,132	474,226
Provided for the year	97,994	–	40,398	138,392
Eliminated on disposal	(18,304)	–	(13,381)	(31,685)
Exchange alignment	1,482	–	(817)	665
At 31 March 2012	443,266	–	138,332	581,598
Provided for the year	101,520	–	62,278	163,798
Eliminated on disposals	–	–	(14,160)	(14,160)
Elimination on disposal of a subsidiary	(7,477)	–	(5,144)	(12,621)
Exchange alignment	72	–	(997)	(925)
At 31 March 2013	537,381	–	180,309	717,690
CARRYING VALUES				
At 31 March 2013	3,890,929	2,371,285	390,905	6,653,119
At 31 March 2012	3,848,499	1,838,781	300,722	5,988,002

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	2013 HK$'000	2012 HK$'000
Leasehold land and building in Hong Kong:		
Long leases	**464,199**	794,846
Medium-term leases	**2,505,930**	2,109,254
Freehold land and building outside Hong Kong	**1,929,308**	1,692,452
Building on leasehold land outside Hong Kong:		
Long leases	**371,997**	239,771
Medium-term leases	**990,780**	850,957
	6,262,214	5,687,280

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

The carrying amounts of properties under development at the end of the reporting period includes capitalised interest expense of HK$87,426,000 (2012: HK$49,472,000).

The Group is in the process of obtaining the title of certain completed properties located outside Hong Kong with carrying amount of HK$312,344,000 (2012: HK$317,411,000).

Included in leasehold improvements, furniture, fixtures and equipment is an aggregate carrying amount of HK$1,927,000 (2012: HK$1,491,000) in respect of assets held under finance leases.

Properties with carrying amount of HK$5,559,131,000 (2012: HK$4,887,955,000) are under charge to secure bank borrowings of the relevant group entities.

During the year ended 31 March 2013, the Group disposed of a hotel in Hong Kong named "Dorsett Regency Hotel, Hong Kong", through the disposal of a subsidiary to an independent third party for a consideration of HK$801,532,000, details of this transaction are set out in note 42.

During the year ended 31 March 2012, the Group disposed of a hotel in Hong Kong named "Central Park Hotel" to an independent third party for a consideration of HK$515,000,000, and recognised a gain of HK$380,288,000 (note 12).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

18. PREPAID LEASE PAYMENTS

	2013 HK$'000	2012 HK$'000
Balance at beginning of the year	**616,352**	599,706
Additions	**–**	16,388
Amortisation	**(13,256)**	(9,537)
Exchange alignment	**7,974**	9,795
Balance at end of the year	**611,070**	616,352
The carrying value represents leasehold land outside Hong Kong:		
Long-term leases with lease period of 99 years	**316,008**	313,178
Medium-term leases with lease period of 35 years	**295,062**	303,174
	611,070	616,352
Analysed for reporting purposes as:		
Non-current asset	**595,036**	597,485
Current asset	**16,034**	18,867
	611,070	616,352

Leasehold lands with carrying value of HK$604,171,000 (2012: HK$605,962,000) are under charge to secure bank borrowings of the relevant group entities.

19. OTHER ASSETS

On 29 August 2012, the Group received Notice of Land Acquisition from the relevant government authority of Singapore (the "Singapore Government"). Pursuant to which, certain properties located in Singapore are under compulsory acquisition by the Singapore Government. These properties are expected to be possessed by the Singapore Government in August 2014. Accordingly, such properties are no longer considered as properties held to earn rental or for capital appreciation and hence were transferred from investment properties to other assets at their fair value of S$47,400,000 (equivalent to HK$296,250,000) (see note 16) at the date of transfer, which becomes the deemed cost for subsequent accounting of such properties. The other assets situated on long-term lease are carried at cost, less impairment losses, if any.

Other assets with carrying amount of HK$262,500,000 are under charge to secure bank borrowing of the relevant group entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

20. GOODWILL

Goodwill arose from the acquisition of 73.75% equity interest in certain subsidiaries which are engaged in car park operation, in prior 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 operation. The calculation uses cash flow projections based on financial budgets approved by the management covering a 5-years period, and at a discount rate of 17%. The management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the goodwill exceeding its recoverable amount.

21. OTHER INTANGIBLE ASSETS

Other intangible assets represent the rights to manage the operation of certain carparks. They were initially recognised at HK$9,000,000 by making reference to the valuation performed by independent chartered accountants, Nexia ASR Pty Ltd, on the carpark operation business. The valuation is determined on the income-based method.

The intangible assets are amortised on a straight-line basis over their estimated useful lives of 3½ years and fully amortised during the year ended 31 March 2013.

22. INTERESTS IN ASSOCIATES

	2013 HK$'000	2012 HK$'000
Unlisted investments, at cost	**86,539**	95,600
Share of post-acquisition results, net of dividends received	**229,069**	160,558
	315,608	256,158

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

22. 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 2013	2012	Principal activities
Bermuda Investments Limited	Ordinary	**25**	25	Property investment
Cosmopolitan Resort (Zhuji) Limited ("Zhuji")#	N/A	**18**	18	Property development
Kanic Property Management Limited	Ordinary	**50**	50	Building management
Omicron International Limited*	Ordinary	**30**	30	Investment holding
Peacock Estates Limited	Ordinary	**25**	25	Property investment

\# Established and operating in PRC
* Incorporated in British Virgin Islands

The above table lists the associates of the Group which, in the opinion of the directors, 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 of the associates is set out below:

	2013 HK$'000	2012 HK$'000
Total assets	**1,350,547**	1,079,327
Total liabilities	**(30,137)**	(99,812)
	1,320,410	979,515
Group's share of net assets	**315,608**	245,557
Revenue	**195,756**	88,304
Profit for the year	**232,680**	87,976
Group's share of results for the year	**73,656**	23,843

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

22. INTERESTS IN ASSOCIATES (Continued)

The Group has discontinued recognising 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:

	2013 HK$'000	2012 HK$'000
Unrecognised share of losses for the year	**(23)**	(18)
Accumulated unrecognised share of losses	**(50,267)**	(50,244)

23. INTERESTS IN JOINT VENTURES

(A) JOINTLY CONTROLLED ENTITIES

	2013 HK$'000	2012 HK$'000
Unlisted investments, at cost	**55,574**	58,478
Share of post-acquisition results, net of dividends/ distributions received	**32,492**	32,488
Less: Impairment	**(40,951)**	–
	47,115	90,966

Particulars of the Group's principal jointly controlled entities 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 2013	2012	Principal activities
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

23. INTERESTS IN JOINT VENTURES (Continued)

(A) JOINTLY CONTROLLED ENTITIES (Continued)

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

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

The summarised financial information in respect of the Group's interests in the jointly controlled entities which are accounted for using the equity method is set out below:

	2013 HK$'000	2012 HK$'000
Non-current assets	**43,465**	50,061
Current assets	**103,113**	101,996
Current liabilities	**(34,732)**	(37,723)
Revenue	**20**	19,038
Expenses	**(7,647)**	(12,024)

During the year ended 31 March 2013, the directors assessed the expected future cash flows expected to be generated by a jointly controlled entity and an impairment loss of HK$40,951,000 was provided against the interests in jointly controlled entities.

(B) JOINTLY CONTROLLED OPERATION

During the year ended 31 March 2012, the Group entered into an agreement with a related company (as described in note 48(a)) to jointly develop certain portion of the Group's freehold land with fair value, as agreed between the parties, of Malaysian Ringgit ("RM") 65,000,000 (equivalent to HK$165,000,000). The related company is responsible for the provision of technical, commercial and financial management of the development on the land and marketing the properties on completion of their development and bears all the related cost and expenses of the development. The development activities and the sales of the completed properties are directed by the related company's board of directors, of which the Group and the related company have equal number of representatives throughout the joint venture 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 RM8,000,000, equivalent to HK$22,138,000 (2012: RM8,000,000, equivalent to HK$22,402,000) recognised in the consolidated financial statements as at 31 March 2013 in relation to the jointly controlled operations, representing the cost of the freehold land previously classified as property, plant and equipment, are included in properties for development under current assets. Income and expenses of the jointly controlled operation for the year are insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

24. AVAILABLE-FOR-SALE INVESTMENTS

	2013 HK$'000	2012 HK$'000
Listed equity securities:		
Hong Kong	**3,172**	3,457
Overseas	**7,865**	795
	11,037	4,252
Unlisted:		
Equity securities	**4**	10,949
Debt securities	**98,571**	301
Club membership	**688**	688
Investment funds	**41,120**	18,694
	140,383	30,632
	151,420	34,884
Analysed for reporting purposes as:		
Non-current assets	**110,300**	16,190
Current assets	**41,120**	18,694
	151,420	34,884

Available-for-sale investments are stated at fair value except that the unlisted equity securities are measured at cost less impairment as the directors are of the opinion that their fair values cannot be measured reliably.

The fair value of the listed equity securities are determined based on the quoted market bid prices available on the relevant stock exchanges. The fair value of the debt securities are determined in accordance with generally accepted pricing models based on discounted cash flow using market interest rates. The fair value of the investment funds is determined based on the bid price available from the fund managers which is determined based on fair values of the underlying listed securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2013 HK$'000	2012 HK$'000
Investments held for trading		
Equity securities listed in Hong Kong	–	162
Equity securities listed overseas	**23,386**	296
Financial assets designated at fair value through profit or loss		
Debt securities	**102,030**	–
Structured investments	**7,750**	7,750
	133,166	8,208
Analysed for reporting purposes as:		
Non-current assets	**36,304**	7,750
Current assets	**96,862**	458
	133,166	8,208

The fair value of investments held for trading are determined based on quoted market bid price available on the relevant stock exchanges. The fair values of the debt securities and structured investments are determined using generally accepted pricing models based on discounted cash flow using prices or rates from observable current market transactions. Key assumptions include prices of underlying listed shares and market interest rates.

26. AMOUNTS DUE FROM ASSOCIATES

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

27. OTHER RECEIVABLES

	2013 HK$'000	2012 HK$'000
Promissory notes receivable and accrued interest	**142,365**	140,116
Second mortgage loans	**23,193**	23,222
	165,558	163,338
Less: Impairment loss recognised on second mortgage loans	**(23,119)**	(21,654)
	142,439	141,684
Less: Amount due within one year and classified under current assets		
– Other receivables	**(142,365)**	–
– Debtors, deposits and prepayments	**(29)**	(277)
Amount due after one year	**45**	141,407

Promissory notes with aggregate principal amount of US$17,500,000 (equivalent to HK$135,625,000) which represents the balance of the consideration receivable in connection with the disposal of certain properties located outside Hong Kong to an independent third party in February 2010. The notes, together with interest being accrued at the rate of 2% per annum in the first year and 4% per annum thereafter, are due on maturity in February 2014. The notes are secured by first priority mortgage liens over the properties disposed of and a pledge of the purchasers' equity interest in the entity holding the properties.

Second mortgage loans and interest receivable are secured by the properties of the borrowers. The loans bear interest at prime rate with an effective interest rate as at 31 March 2013 of 5.00% per annum (2012: 5.00%) and are repayable by instalments in accordance to their respective repayment terms.

Allowance for doubtful debts amounting to HK$1,465,000 was recognised during the year ended 31 March 2013. Reversal of doubtful debts amounting to HK$447,000 was made during the year ended 31 March 2012 on recovery of the debts.

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 believe that there is no further provision required.

28. BANK DEPOSITS, DEPOSITS IN A FINANCIAL INSTITUTION, BANK BALANCES AND CASH

Pledged deposits included in non-current assets carry interest at rates ranging from 0.10% to 0.50% (2012: 0.001% to 5.30%) per annum. These deposits are pledged to secure bank loans repayable after one year.

Pledged deposits included in current assets include deposits of HK$20,000,000 (2012: HK$20,000,000) which carry interest at fixed rates ranging from 0.10% (2012: 0.10%) per annum and the remaining carry interest at an average market rates of 2.72% (2012: 2.72%) per annum. These deposits, with maturity dates ranging from 1 to 6 months, are pledged to secure bank borrowings repayable within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

28. BANK DEPOSITS, DEPOSITS IN A FINANCIAL INSTITUTION, BANK BALANCES AND CASH (Continued)

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

Bank deposits with maturity of less than three months and bank balances carry interest at market rates ranging from 0.0% to 3.75% (2012: 0.0% to 4.76%) per annum.

Time deposits with maturity over 3 months carry fixed interest at 3.08% per annum (2012: Nil).

Deposits in a financial institution carry interest at rates ranging from 0% to 0.1% (2012: Nil).

29. PROPERTIES FOR SALE

Included in properties for sale are properties with carrying value of HK$3,608,653,000 (2012: HK$3,777,241,000) which are not expected to be realised within the next twelve months.

Properties for sale with carrying amount of HK$2,701,624,000 (2012: HK$1,615,414,000) are under legal charge to secure bank borrowings of the respective group entities.

The carrying amount includes the freehold land of RM8,000,000, equivalent to HK$22,138,000 (2012: RM8,000,000, equivalent to HK$22,402,000) transferred from property, plant and equipment in the prior year for joint development as detailed in note 23(b).

30. DEBTORS, DEPOSITS AND PREPAYMENTS

	2013 HK$'000	2012 HK$'000
Trade debtors	**79,902**	73,300
Advance to contractors	**14,029**	26,085
Utility and other deposits	**22,270**	28,771
Value-added tax recoverable	**6,331**	1,104
Receivables from stakeholders	**108,498**	32,913
Prepayment and other receivables	**166,806**	118,397
Balance of proceeds from disposal of a subsidiary (note 42)	**15,000**	–
	412,836	280,570

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

30. DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

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

	2013 HK$'000	2012 HK$'000
0 – 60 days	**70,863**	63,441
61 – 90 days	**2,818**	4,192
Over 90 days	**6,221**	5,667
	79,902	73,300

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

Trade debtors mainly represent of receivable from renting of properties and use of hotel facilities. 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 60 days to its corporate customers and travel agents.

Sale of properties are settled according to the payment terms of individual contract but have to be fully settled before transfer of the legal titles.

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

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

	2013 HK$'000	2012 HK$'000
Balance at beginning of the year	**9,443**	7,087
Impairment losses recognised	**2,707**	3,011
Amount written off as uncollectible	**(2,093)**	(655)
Amount recovered during the year	**(2)**	–
Balance at end of the year	**10,055**	9,443

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

31. CREDITORS AND ACCRUALS/CUSTOMERS' DEPOSITS RECEIVED

	2013 HK$'000	2012 HK$'000
Creditors and accruals		
Trade creditors		
– Construction cost and retention payable	**152,576**	195,985
– Others	**72,690**	59,387
Construction cost and retention payable for capital assets	**94,711**	92,088
Rental and reservation deposits and receipts in advance	**49,304**	52,765
Payable to brokers for the purchase of share	**43,951**	1,627
Other payable and accrued charges	**423,977**	204,446
	837,209	606,298

The following is an aged analysis of the trade creditors:

	2013 HK$'000	2012 HK$'000
0 – 60 days	**140,680**	162,478
61 – 90 days	**1,374**	5,747
Over 90 days	**83,212**	87,147
	225,266	255,372

CUSTOMERS' DEPOSITS RECEIVED

Of the customers' deposits received, an amount of HK$77,657,000 (2012: HK$191,099,000) is expected to be recognised as revenue after twelve months from the end of reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

32. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2013	2012	2013	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Amounts payable under finance leases:				
Within one year	**164**	224	**158**	218
In more than one year but not more than five years	**1,138**	625	**1,010**	474
	1,302	849	**1,168**	692
Less: Future finance charges	**(134)**	(157)	**–**	–
Present value of lease obligations	**1,168**	692	**1,168**	692
Less: Amount due within one year shown under current liabilities			**(158)**	(218)
Amount due after one year			**1,010**	474

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 effective borrowing rates for the year is 2.7% (2012: 2.7%) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

33. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets		Liabilities	
	2013	2012	2013	2012
	HK$'000	HK$'000	HK$'000	HK$'000
Interest rate cap and swap (note a)	**–**	–	**(680)**	(1,198)
Call/put options in listed equity securities and foreign currencies (note b)	**5,354**	10	**(10,774)**	(47)
Cross currency swap contracts (note c)	**–**	–	**(8,836)**	–
	5,354	10	**(20,290)**	(1,245)
Analysed for reporting purpose as:				
Current assets	**5,354**	10	**–**	–
Current liabilities	**–**	–	**(20,290)**	(1,245)
	5,354	10	**(20,290)**	(1,245)

Notes:

(a) Major terms of the interest rate cap and interest rate swap contracts outstanding as at 31 March 2013 and 31 March 2012 which were entered into by the Group to reduce its exposure to interest rate fluctuation of the bank borrowings that carry interest at variable interest rate are set out below. These derivatives are not accounted for under hedge accounting.

(i) Date of contract: 19 September 2008
Effective date: 25 September 2008
Notional amount: Aggregate total of HK$1,900,000,000
Maturity: September 2013 with an option of early termination by the Group
Interest payment: Pay interest at 3 months HIBOR with a maximum capped at 7.5% per annum and receive interest at 3 months HIBOR with upfront payment

(ii) Date of contract: 28 July 2010
Effective date: 7 October 2010
Notional amount: SGD10,000,000
Maturity: December 2013
Interest payment: Pay interest at a fixed rate of 1.46% and receive interest at 3 months SGD Swap Offer Rate

The fair value of the interest rate cap and swap contracts are determined based on the discounted cash flow analysis using the applicable yield curve and the remaining duration of the instruments.

During the year ended 31 March 2012, the Group early terminated a contract with notional amount of HK$1,900,000,000 before its contractual maturity date on 25 September 2013 and recorded a loss of HK$5,057,000 recognised in profit or loss.

(b) Call and put options represents right 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.

The fair value of the call and put options is determined in accordance with generally accepted pricing model based on quotation from the counterparties for similar instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

33. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Notes: (Continued)

(c) Major terms of cross currency swap contracts are set out below:

Date of contract:	25 March 2013
Effective date:	3 April 2013
Notional amount:	RMB500,000,000
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 of USD80,606,158.31 semi-annually
Principal exchanged amount:	USD80,606,158.31

Date of contract:	27 March 2013
Effective date:	3 April 2013
Notional amount:	RMB350,000,000
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 4.952% per annum of USD56,397,035.13 semi-annually
Principal exchanged amount:	USD56,397,035.13

34. SECURED BANK AND OTHER BORROWINGS

	2013 HK$'000	2012 HK$'000
Bank loans	**6,571,300**	6,414,242
Other loans	**62,500**	–
	6,633,800	6,414,242
Less: front-end fee	**(15,872)**	(29,153)
	6,617,928	6,385,089
Analysed for reporting purpose as:		
Current liabilities	**4,713,839**	1,764,289
Non-current liabilities	**1,904,089**	4,620,800
	6,617,928	6,385,089
The borrowings repayable based on scheduled repayment dates set out in the loan agreements are as follows:		
On demand or within one year	**3,614,915**	1,260,081
More than one year, but not exceeding two years	**1,757,649**	3,399,021
More than two years, but not exceeding five years	**1,090,249**	1,495,793
More than five years	**170,987**	259,347
	6,633,800	6,414,242

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

34. SECURED BANK AND OTHER BORROWINGS (Continued)

The carrying amounts of the borrowings include an amount of HK$1,114,796,000 (2012: HK$504,208,000) which is not repayable within one year based on scheduled repayment dates has however been shown under current liabilities as the counterparties have a discretionary rights to demand immediate repayment.

Bank loans with aggregate carrying amount of HK$15,000,000 (2012: HK$129,022,000) bear interest at fixed rates at 8.53% (2012: 5.75% to 8.53%) per annum. The remaining bank loans and other loans bear interest at floating rates ranging from 1.1% to 8.53% (2012: 0.62% to 11.41%) per annum. Bank loans which are denominated in various currencies are analysed below:

Currencies	Interest rates	2013 HK$'000	2012 HK$'000
HK$	HIBOR plus 0.8% to 1.3% and HK$ Prime Lending Rate minus 1.5% (2012: HIBOR plus 0.85% to 1.5% and HK$ Prime Lending Rate minus 1%)	**4,346,216**	3,816,066
RMB	100% of 1-year PBOC Prescribed Interest rate to 125% of 1 to 3 years PBOC Prescribed Interest Rate (2012: 110% of 1-year PBOC Prescribed Interest Rate to 125% of 1 to 3 years PBOC Prescribed Interest Rate)	**942,364**	895,304
RMB	Fixed rate of 8.53% (2012: 6.4% to 8.53%)	**15,000**	126,567
S$	S$ SOR plus 1.25% to 1.85% (2012: S$ SOR plus 1.25% to 1.85%)	**476,383**	420,184
S$	Fixed rates of 5.75%	**–**	2,455
RM	Malaysia BLR minus 1.5% to BLR plus 1.5% (2012: Malaysia BLR minus 1.5% to BLR plus 1.5%)	**364,998**	383,949
A$	Australia BBSW plus 1% to 1.5% (2012: Australia BBSW plus 1% to 1.5%)	**369,121**	769,717
GBP	LIBOR plus 2.8% (2012: Nil)	**119,718**	–
		6,633,800	6,414,242

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

35. ASSETS CLASSIFIED AS HELD FOR SALE AND ASSOCIATED LIABILITIES

The assets classified as held for sale, which are under legal charge to secure bank borrowings of the group entities, and associated liabilities comprises of:

	2013 HK$'000	2012 HK$'000
Assets classified as held for sale:		
Investment property (note a)	–	328,861
Other property, plant and equipment (note b)	**91,410**	90,067
	91,410	418,928
Liabilities associated with assets held for sales:		
Rental deposit received	–	2,994

(a) On 16 March 2012, the Company entered into an agreement for the disposal of investment properties located outside Hong Kong at a consideration of HK$328,861,000. The properties were reclassified as assets held for sales and stated at fair value which has been arrived at with reference to the consideration of the disposal. The disposal was completed during the year ended 31 March 2013.

(b) During the year ended 31 March 2011, the Group decided to dispose of certain properties in Hong Kong held under medium-term lease. The properties which were previously planned for owners' occupation is reclassified from property, plant and equipment to asset classified as held for sale.

36. CONVERTIBLE BONDS

	2013 HK$'000	2012 HK$'000
At 1 April	**30,074**	716,785
Amortised interest charged to profit or loss	**2,182**	35,709
Payment of coupon interest	**(1,214)**	(26,176)
Amortisation of issue expenses	**127**	11,661
Decrease in fair value	–	(3,032)
Repurchase	–	(55,373)
Redemption	–	(649,500)
At 31 March	**31,169**	30,074

The carrying amount at the end of the reporting period represents the liability component of convertible bonds with principal amount of HK$33,500,000 (2012: HK$33,500,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

36. CONVERTIBLE BONDS (Continued)

The convertible bonds, with maturity date on 5 March 2015, carry interest at 3.625 percent and are convertible, at the option of the holders, into ordinary shares of HK$0.10 each of the Company at an adjusted conversion price of HK$3.21 per share (announced by this Company on 7 September 2012), subject to further anti-dilution adjustments during the period up to 28 February 2015. The bondholders might require the Company to redeem all or part of the convertible bonds on 5 March 2012 at 100% of their principal amount together with accrued interest. The outstanding bonds are redeemable by the Company after 5 March 2012 and prior to maturity at the principal amount together with accrued interest under certain specified conditions. Any remaining outstanding convertible bonds will be redeemed at the principal value together with accrued interest on maturity.

The convertible bonds contains three components, namely, liability element, equity element and early redemption option. As the early redemption option is closely related to the host contract, it is not separately accounted for from the host contract. The fair value of liability component is initially estimated at HK$760,590,000 based on the valuation carried out by Vigers Appraisal and Consulting Ltd on the assumption that the bondholders could request for redemption on 5 March 2012. The liability component of the convertible bonds is carried at amortised cost and amortised at an effective interest rate of 6.29% per annum.

On 5 March 2012, certain bondholders have exercised their rights to redeem a total principal amount of HK$649,500,000 of the convertible bonds. During the year ended 31 March 2012, the Company repurchased a total principal amount of HK$57,000,000 of the convertible bonds at a consideration of HK$48,987,000. The redeemed and repurchased convertible bonds were subsequently cancelled. The gain on the repurchase and redemption of HK$34,714,000 is recognised in retained profits.

The convertible bonds outstanding at 31 March 2013 and 31 March 2012 are classified under non-current liabilities in accordance to their maturity date which is 5 March 2015 as the bondholders' right to redeem on 5 March 2012 had lapsed.

37. 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 are denominated and settled in RMB, bear interest at rate of 5.875% per annum payable semi-annually in arrears on 4 March and 4 September in each year.

The principal terms of 2016 Bonds:

(a) Other than during the closed period and subject to the terms of the paying agency agreement in respect of the 2016 Bonds, the Bonds are transferable without restrictions.

(b) Unless previously redeemed or purchased and cancelled, the Company will redeem each 2016 Bonds at 100% at its principal amount together with unpaid accrued interest on the maturity date.

(c) At any time the Company 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 (which notice shall be irrevocable) redeem all, and not some only, of the 2016 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, the bond holder of each 2016 Bonds will have the right at such holder's option, to require the Company to redeem all or some only of that holder's 2016 Bonds at 101% of their principal amount together with interest accrued to the date fixed for redemption.

(e) The 2016 Bonds will constitute direct, unsubordinated, unconditional and (subject to the terms and conditions of the 2016 Bonds) unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves.

Details of the issue of the 2016 Bonds were disclosed in the Company's circular dated 25 February 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

38. DERIVATIVE FINANCIAL INSTRUMENTS DESIGNATED AS HEDGING INSTRUMENTS

The derivative financial instruments are measured at fair values at the end of the reporting period. The fair values are determined based on valuations provided by the counterparty financial institutions.

At 31 March 2013, the Group has outstanding cross currency swap contracts entered into by the Group during the year ended 31 March 2013 to hedge against the variability of cash flows arising from the foreign currency fluctuations. The Group has designated these cross currency swap contracts as hedges against the variability of exposure on currency risk in Renminbi of the 2016 Bonds (see note 37). The terms of the cross currency swap contract have been negotiated to match the terms of the 2016 Bonds.

During the year ended 31 March 2013, fair value loss arising from the cross currency swap contracts of HK$7,593,000 was deferred in equity as hedge reserve. An amount of gain of HK$6,000,000 is reclassified from hedge reserve to profit or loss in the periods when the hedged item is recognised to profit or loss.

Major terms of cross currency swap contracts are set out below:

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 based on USD40,178,074.98 semi-annually
Principal exchanged amount:	USD40,178,074.98

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 based on USD120,365,912.37 semi-annually
Principal exchanged amount:	USD120,365,912.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

39. 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	Convertible bond HK$'000	Intangible asset HK$'000	Tax losses HK$'000	Others HK$'000	Total HK$'000
At 1 April 2011	40,537	81,147	84,060	42,976	4,614	(1,299)	(24,059)	(1,345)	226,631
Charge (credit) to profit or loss	13,914	1,060	(1,701)	(1,245)	–	(772)	(505)	(172)	10,579
Reversal of deferred tax on equity component of partial redemption/repurchase of bonds	–	–	–	–	(4,361)	–	–	–	(4,361)
Exchange alignment	–	–	2,039	–	–	–	–	–	2,039
At 31 March 2012	54,451	82,207	84,398	41,731	253	(2,071)	(24,564)	(1,517)	234,888
Disposal of a subsidiary	(5,265)	–	–	–	–	–	5,265	–	–
Charge (credit) to profit or loss	13,947	(2,976)	(1,701)	(1,245)	–	2,071	92	(2,744)	7,444
Exchange alignment	–	2,916	2,994	–	–	–	–	–	5,910
At 31 March 2013	**63,133**	**82,147**	**85,691**	**40,486**	**253**	**–**	**(19,207)**	**(4,261)**	**248,242**

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

	2013 HK$'000	2012 HK$'000
Deferred tax assets	**(5,000)**	–
Deferred tax liabilities	**253,242**	234,888
	248,242	234,888

The Group recognises deferred tax in respect of the change in fair value of the investment properties located in 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 2013, the Group has unused tax losses of HK$1,053,497,000 (2012: HK$1,165,603,000) available to offset against future profits. Upon disposal of a subsidiary in the current year, the Group's unused tax losses arising in Hong Kong reduced by HK$112,934,000. A deferred tax asset has been recognised in respect of such losses to the extent of HK$95,016,000 (2012: HK$160,479,000). No deferred tax asset has been recognised in respect of the remaining tax losses of HK$958,481,000 (2012: HK$1,005,124,000) due to the unpredictability of future profit streams.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

39. DEFERRED TAXATION (Continued)

At 31 March 2013, the Group has deductible temporary difference of HK$307,333,000 (2012: HK$288,569,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1st January 2008 onwards. Deferred tax has not been provided for on the temporary differences attributable to profits of the PRC subsidiaries of HK$552,652,000 (2012: HK$430,228,000) generated after 1st 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.

40. SHARE CAPITAL

	Number of ordinary shares of HK$0.1 each	Nominal value HK$'000
Authorised:	**4,000,000,000**	400,000
Issued and fully paid:		
At 1 April 2011	**1,918,262,559**	191,826
Issue of shares in lieu of cash dividends at HK$1.45 per share	**31,330,600**	3,133
Issue of shares in lieu of cash dividends at HK$1.09 per share	**10,163,917**	1,017
At 31 March 2012	**1,959,757,076**	195,976
Repurchase of shares	**(230,000,000)**	(23,000)
Issue of shares in lieu of cash dividends at HK$1.43 per share	**26,332,957**	2,633
Issue of shares in lieu of cash dividends at HK$2.10 per share	**7,819,503**	782
Issue upon exercise of share option at HK$2.075 per share	**5,000,000**	500
At 31 March 2013	**1,768,909,536**	176,891

All the shares issued during the two years ended 31 March 2013 rank pari passu in all respects with the existing shares.

During the year, the Company repurchased its own shares from a shareholder of the Company as follows:

Month of repurchase	Number of ordinary shares repurchased	Price per share	Aggregate consideration paid HK$'000
July 2012	230,000,000	1.23	288,225

The above shares were cancelled upon repurchase.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

41. NON-CONTROLLING INTERESTS

	2013 HK$'000	2012 HK$'000
Share of net assets of subsidiaries	**1,129,327**	1,041,216
Share options reserve of subsidiaries	**8,603**	7,173
	1,137,930	1,048,389

42. DISPOSAL OF A SUBSIDIARY

On 28 September 2012, the Group disposed of its entire equity interest in Hong Kong (SAR) Hotel Limited ("HKSAR Hotel") to an independent third party (the "Purchaser") for consideration of HK$801,532,000. HKSAR Hotel is the owner and operator of Dorsett Regency Hotel, Hong Kong.

The net assets disposed of were as follows:

	HK$'000
Property, plant and equipment	319,242
Inventories	92
Deposits and prepayments	2,495
Bank balances and cash	428
Creditors and accruals	(909)
Net assets disposed of	321,348
Gain on disposal:	
Consideration (note)	801,532
Transaction and other direct cost incurred	(21,826)
Consideration received and receivable	779,706
Net assets disposed of	(321,348)
Gain on disposal	458,358
Net cash inflow arising from disposal of a subsidiary	
Consideration received and receivable, net of transaction cost	779,706
Bank balances and cash disposed of	(428)
	779,278

Note: Pursuant to the supplementary agreement entered in relation to this transaction, included in the total consideration of HK$801,532,000, a sum of HK$15,000,000 shall be settled upon the approval of alteration of the usage of certain floors of Dorsett Regency Hotel, Hong Kong to be obtained from the Buildings Department. The approval was obtained on 28 March 2013 and the amount of HK$15,000,000 has not yet been settled as at 31 March 2013 and has been included under "Debtors, Deposits and Prepayments" as disclosed in note 30. The amount was subsequently received on 3 April 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

43. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into finance lease arrangements for acquisition of asset with a total capital value at the inception of the leases of HK$860,000 (2012: HK$479,000).

The Company issued shares in lieu of cash dividend payable to the Company's shareholders totalling HK$54,079,000 (2012: HK$56,576,000).

44. CHARGE ON ASSETS

Bank loans with aggregate amount of HK$6,633,800,000 (2012: HK$6,414,242,000) outstanding at the end of the reporting period are secured by a fixed charge over the Group's properties (presented under the line items of properties for sale, investment properties, property, plant and equipment, prepaid lease payments, other assets and non-current asset held for sale) with an aggregate carrying amount of HK$11,239,210,000 (2012: HK$9,743,967,000) and a pledge of deposits of HK$176,304,000 (2012: HK$367,924,000) together with a floating charge over other assets of the property owners and benefits accrued to those properties.

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

45. CONTINGENT LIABILITIES

During the year ended 31 March 2010, HKSAR Hotel initiated a lawsuit against the contractor for the unsatisfactory performance in relation to the construction of a hotel in an amount of HK$14,356,000. In response to the claim, the contractor has filed counterclaims against HKSAR Hotel for an amount of HK$25,841,000. HKSAR Hotel was disposal of during the current year but the Group undertakes to use all reasonable endeavours to procure the full and final settlement of the litigation. The trial commenced on 30 July 2012 and further adjourned to August 2013. In the opinion of the directors, there is a fair chance of winning the lawsuit after consultation with the lawyer. Accordingly, no provision for potential liability has been made in the consolidated financial statements.

46. CAPITAL COMMITMENTS

	2013 HK$'000	2012 HK$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	**768,622**	585,760
Others	**12,180**	4,421
	780,802	590,181
Capital expenditure authorised but not contracted for in respect of:		
Development and refurbishment of hotel properties	**27,673**	319,593
Others	**16,474**	19,274
	44,147	338,867
	824,949	929,048

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

47. OPERATING LEASE ARRANGEMENTS

THE GROUP AS LESSOR:

At the end of the reporting period, investment properties, other assets and properties for sale with carrying amount of HK$1,896,917,000 (2012: HK$2,107,469,000), HK$296,250,000 (2012: Nil) and HK$33,166,000 (2012: HK$73,804,000) respectively were let out under operating leases. Gross rental income earned during the year is HK$111,853,000 (2012: HK$113,422,000) of which HK$107,558,000 (2012: HK$102,848,000) 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:

	2013 HK$'000	2012 HK$'000
Within one year	**90,882**	86,894
In the second to fifth year inclusive	**161,265**	159,614
More than five years	**83,059**	85,482
	335,206	331,990

Leases are negotiated and rentals are fixed for terms ranging from one to twenty years (2012: one to twenty years).

THE GROUP AS LESSEE:

Minimum lease payments paid under operating leases during the year.

	2013 HK$'000	2012 HK$'000
Premises	**297,667**	261,393
Equipment	**68**	22
	297,735	261,415

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:

	2013 HK$'000	2012 HK$'000
Within one year	**72,598**	80,243
In the second to fifth year inclusive	**126,259**	145,173
	198,857	225,416

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

48. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) During the year ended 31 March 2012, the Group entered into an agreement with a related company for the joint development of properties on land owned by the Group as disclosed in note 23(b). The related company is a company controlled by the Company's executive director who has significant influence over the Group through his equity interest and directorship in the Company.

(b) An associate provides building management service to the Group. Building management fee paid during the year for the services provided amounted to HK$3,942,000 (2012: HK$3,913,000).

(c) A director provided personal guarantee for one of the Group's bank loan which was fully repaid during the year ended 31 March 2012.

(d) Remuneration paid and payable to the members of key management, who are the directors and the five highest paid individuals, during the year are disclosed in note 15.

49. AMOUNT DUE FROM/TO RELATED PARTIES

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

The Group does not expect for repayment in respect of the amount due from a jointly controlled entity and an investee company within the next twelve months from the end of the reporting period and, accordingly, the amount is classified under non-current assets.

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

50. SHARE OPTION SCHEME

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

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

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

Options granted will be taken up upon payment of HK$1 by the grantee. Options may be exercised at any time not exceeding a period of 10 years from the date on which the share options is accepted. The exercise price is determined by the directors of the Company, and will not be less than the higher 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

50. SHARE OPTION SCHEME (Continued)

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

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

At 31 March 2013, the number of options which remained outstanding under the Share Option Scheme was 35,650,000 (2012: 24,650,000) which, if exercise in full, would represents 1.98% (2012: 1.24%) of the enlarged capital of the Company.

Details of options granted are as follows:

Option type	Vesting period	Exercisable period	Exercise price HK$
Options granted on 21 October 2004 (note)			
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 (note)			
Tranche 3	25.8.2006 to 31.12.2007	1.1.2008 to 24.8.2016	3.290
Tranche 4	25.8.2006 to 31.12.2008	1.1.2009 to 24.8.2016	3.290
Tranche 5	25.8.2006 to 31.12.2009	1.1.2010 to 24.8.2016	3.290
Options granted on 8 May 2009			
Tranche 1	8.5.2009 to 15.9.2009	16.09.2009 to 15.09.2019	1.500
Tranche 2	8.5.2009 to 15.9.2010	16.09.2010 to 15.09.2019	1.500
Tranche 3	8.5.2009 to 15.9.2011	16.09.2011 to 15.09.2019	1.500
Tranche 4	8.5.2009 to 15.9.2012	16.09.2012 to 15.09.2019	1.500
Options granted on 27 March 2013			
Tranche 1	27.3.2013 to 28.2.2014	1.3.2014 to 28.2.2020	2.550
Tranche 2	27.3.2013 to 28.2.2015	1.3.2015 to 28.2.2020	2.550
Tranche 3	27.3.2013 to 29.2.2016	1.3.2016 to 28.2.2020	2.550
Tranche 4	27.3.2013 to 28.2.2017	1.3.2017 to 28.2.2020	2.550

Note: Pursuant to a resolution passed by the Company on 4 August 2010, the exercisable periods of the options granted on 21 October 2004 and 25 August 2006 are extended for a further five years to 20 October 2014 and 24 August 2016 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

50. SHARE OPTION SCHEME (Continued)

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

The movements in the options granted to employees in aggregate during the two years ended 31 March 2012 and 31 March 2013 are as follows:

Option type	Date of grant	At 1.4.2011	Granted/ lapsed during the year	At 31.3.2012	Granted during the year	Exercised during the year	At 31.3.2013
Tranche 1	21.10.2004	250,000	–	250,000	–	–	250,000
Tranche 2	21.10.2004	425,000	–	425,000	–	–	425,000
Tranche 3	21.10.2004	2,775,000	–	2,775,000	–	(1,200,000)	1,575,000
Tranche 4	21.10.2004	5,875,000	–	5,875,000	–	(1,800,000)	4,075,000
Tranche 5	21.10.2004	6,975,000	–	6,975,000	–	(2,000,000)	4,975,000
		16,300,000	–	16,300,000	–	(5,000,000)	11,300,000
Tranche 4	25.8.2006	450,000	–	450,000	–	–	450,000
Tranche 5	25.8.2006	500,000	–	500,000	–	–	500,000
		950,000	–	950,000	–	–	950,000
Tranche 1	8.5.2009	1,850,000	–	1,850,000	–	–	1,850,000
Tranche 2	8.5.2009	1,850,000	–	1,850,000	–	–	1,850,000
Tranche 3	8.5.2009	1,850,000	–	1,850,000	–	–	1,850,000
Tranche 4	8.5.2009	1,850,000	–	1,850,000	–	–	1,850,000
		7,400,000	–	7,400,000	–	–	7,400,000
Tranche 1	27.3.2013	–	–	–	2,400,000	–	2,400,000
Tranche 2	27.3.2013	–	–	–	3,200,000	–	3,200,000
Tranche 3	27.3.2013	–	–	–	4,000,000	–	4,000,000
Tranche 4	27.3.2013	–	–	–	6,400,000	–	6,400,000
		–	–	–	16,000,000	–	16,000,000
		24,650,000	–	24,650,000	16,000,000	(5,000,000)	35,650,000
Weighted average exercisable price		1.569	–	1.949	2.55	2.075	2.201
Number of options exercisable at the end of the year				22,800,000			19,650,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

50. SHARE OPTION SCHEME (Continued)

(A) SHARE OPTION SCHEME OF FAR EAST CONSORTIUM INTERNATIONAL LIMITED (“FECIL SHARE OPTION SCHEME”) (Continued)

Total consideration received by the Group for exercising the options granted amount to approximately HK$10,375,000 (2012: Nil).

The weighted average closing price of the Company’s share immediately before the date(s) on which the options were exercised is HK$2.65 (2012: nil).

The estimated fair value of the options granted during the year ended 31st March, 2013 determined at the date of grant using the Binominal model was approximately HK$14,169,000.

The following assumptions were used to calculate the fair value of share options granted on 27th March, 2013:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Exercise price	2.550	2.550	2.550	2.550
Risk free rate	0.887%	0.887%	0.887%	0.887%
Dividend yield	2.549%	2.549%	2.549%	2.549%
Value of option at grant date	0.77	0.82	0.86	0.88
Expected life of option	6.9	6.9	6.9	6.9
Volatility	44.029%	44.029%	44.029%	44.029%

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors’ best estimate. The value of an option varies with different variables of certain subjective assumptions.

Total share option expense in relation to the options granted by the Company recognised during the year amounted to HK$2,135,000 (2012: HK$484,000).

(B) DORSETT SHARE SCHEME OPTION

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 the Dorsett considers, in its sole discretion, have contributed or will contribute to the Company and Dorsett and any of its subsidiaries. Under 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 the 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 higher 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 the Dorsett’s share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

50. SHARE OPTION SCHEME (Continued)

(B) DORSETT SHARE SCHEME OPTION (Continued)

As at 31 March 2013, the number of options which remained outstanding under the Dorsett Share Option scheme was 18,563,628 (2012: 22,654,536) which, if exercise in full, represents 0.92% (2012: 1.12%) of the enlarged capital of Dorsett. 7,425,438 (2012: 4,530,899) share option were exercisable at the end of the reporting period.

Details of the share options, which were granted on 11 October 2010 at an exercise price of HK$2.20 per share, to employees are as follows:

Option type	Vesting period	Exercisable period	Exercise price HK$	At 1.4.2011	Lapsed during the year	At 31.3.2012	Lapsed during the year	At 31.3.2013
Tranche 1	11.10.2010 to 10.10.2011	11.10.2011 to 10.10.2014	2.20	6,644,535	(2,113,636)	4,530,899	(818,180)	3,712,719
Tranche 2	11.10.2010 to 10.10.2012	11.10.2012 to 10.10.2015	2.20	6,644,535	(2,113,636)	4,530,899	(818,180)	3,712,719
Tranche 3	11.10.2010 to 10.10.2013	11.10.2013 to 10.10.2016	2.20	7,349,081	(2,818,182)	4,530,899	(818,180)	3,712,719
Tranche 4	11.10.2010 to 10.10.2014	11.10.2014 to 10.10.2017	2.20	4,530,899	–	4,530,899	(818,180)	3,712,719
Tranche 5	11.10.2010 to 10.10.2015	11.10.2015 to 10.10.2018	2.20	4,530,940	–	4,530,940	(818,188)	3,712,752
				29,699,990	(7,045,454)	22,654,536	(4,090,908)	18,563,628

No options were granted during the year ended 31 March 2013 and no options granted were exercised during the years ended 31 March 2012 and 2013.

The fair value of the options at the date of grant determined using the Binomial model is approximately HK$18,001,000. During the year, the Group recognised a total expense of approximately HK$2,591,000 (2012: HK$4,898,000) in relation to the options granted.

The variables and assumptions used in computing the fair value of the share options are based on the management's best estimate. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

51. RETIREMENT BENEFITS SCHEMES

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

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

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

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

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

The Group operates defined contribution schemes in respect of tis 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$29,854,000 in the current year (2012: HK$23,732,000).

52. EVENTS AFTER THE REPORTING PERIOD

(a) On 3 April 2013, Dorsett issued bonds to independent third parties with aggregate principal amount of RMB850,000,000 (equivalent to HK$1,062,500,000) at issue price of 100% of the principal amount with maturity date on 3 April 2018. The bonds bear interest at 6% per annum payable semi-annually.

(b) On 15 April 2013, the Group entered into a contract with an independent third party to acquire a property located in Australia at a consideration of A$10,000,000 (equivalent to HK$81,000,000).

(c) On 24 April 2013, the Group accepted the offer of compensation sums totalling S$88,900,000 (equivalent to HK$555,623,000) in connection with the compulsory acquisition of certain properties located in Singapore under offered by the Singapore Government, details of which are set out in note 19.

(d) On 14 June 2013, the Group entered into a contract with an independent third party to acquire a property located in Australia at a consideration of A$75,000,000 (equivalent to HK$574,500,000). The transaction is expected to complete in April 2014.

(e) On 17 June 2013, Dorsett entered into a five-year loan facility of HK$1,750,000,000. The equity interests in two subsidiaries of the Company, together with two hotel properties in Hong Kong owned by these subsidiaries with aggregate carrying values of HK$737,033,000, have been pledged as securities for this loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

53. 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 share capital		Class of shares	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
		Number of ordinary shares	Par value per share/total registered capital		2013	2012	
Direct subsidiaries							
Accord Rise Investments Limited	BVI/HK	1	US$1	Ordinary	**100**	100	Investment holding
Ample Bonus Limited	BVI/HK	101	US$1	Ordinary	**100**	100	Investment holding
Ondella International Limited	BVI/HK	1	US$1	Ordinary	**100**	100	Investment holding
Indirect subsidiaries							
124 York Street Pty Ltd	Australia	10,000	A$0.012178	Ordinary	**76.05**	73.75	Car park operation
13 Roper Street Pty Ltd	Australia	10,000	A$0.012178	Ordinary	**76.05**	73.75	Car park operation
13 Roper Street Trust	Australia	N/A	N/A	N/A	**76.05**	73.75	Car park operation
19 Bank Street Pty Ltd	Australia	10,000	A$0.012178	Ordinary	**76.05**	73.75	Car park operation
19 Bank Street Trust	Australia	N/A	N/A	N/A	**76.05**	73.75	Car park operation
344 Queen Car Park Pty Ltd	Australia	10,000	A$0.012178	Ordinary	**76.05**	73.75	Car park operation
344 Queen Car Park Trust	Australia	N/A	N/A	N/A	**76.05**	73.75	Car park operation
94 York Street Trust	Australia	N/A	N/A	N/A	**76.05**	73.75	Car park operation
Accessway Profits Limited	BVI/HK	1	US$1	Ordinary	**100**	100	Investment holding
Action Fulfilled Assets Limited	BVI/HK	1	US$1	Ordinary	**100**	100	Property investment
All Greatness Limited	BVI/HK	10,000	HK$1	Ordinary	**100**	–	Property development
Amphion Investment Limited	HK	2	HK$1	Ordinary	**100**	100	Investment holding
Annick Investment Limited	HK	2	HK$1	Ordinary	**100**	100	Property investment
Apex Path Limited	BVI/HK	1	US$1	Ordinary	**100**	100	Investment holding
Arvel Company Limited	HK	10,000	HK$1	Ordinary	**100**	100	Property investment
Australian Property Management Pty Ltd	Australia	1	A$1	Ordinary	**76.05**	73.75	Car park operation
Ballarat Central Car Park Pty Ltd	Australia	1,000	A$0.012178	Ordinary	**76.05**	73.75	Car park operation
Best Hoover Limited	HK	1	HK$1	Ordinary	**100**	100	Property investment
Best Impact Limited	BVI/HK	1	US$1	Ordinary	**100**	100	Car park operation
Bournemouth Estates Limited	HK	2	HK$10	Ordinary	**100**	100	Property development
Midtown at Upper West Side Pty Ltd	Australia	2	A$1	Ordinary	**100**	100	Investment holding
Capital Fortune Investment Limited	HK	2	HK$1	Ordinary	**73.25**	100	Investment holding
Caragis Limited	HK	1,000	HK$1	Ordinary	**73.25**	73.10	Hotel operation
Care Park (Albert Street) Pty Ltd	Australia	1,000	A$0.012178	Ordinary	**76.05**	73.75	Car park operation
Care Park Finance Pty Ltd	Australia	1,000	A$0.012178	Ordinary	**76.05**	73.75	Car park operation
Care Park Holdings Pty Ltd	Australia	1,000	A$0.012178	Ordinary	**76.05**	73.75	Investment holding
Care Park New Zealand Ltd	Australia	1,000	A$0.012178	Ordinary	**76.05**	73.75	Car park operation
Care Park Properties Pty Ltd	Australia	1,000	A$0.012178	Ordinary	**76.05**	73.75	Investment holding
Care Park Group Pty Ltd	Australia	1,000	A$0.012178	Ordinary	**76.05**	73.75	Car park operation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Name of subsidiary	Place of incorporation/ establishment and operation	Issued share capital: Number of ordinary shares	Issued share capital: Par value per share/total registered capital	Class of shares	Proportion of nominal value of issued capital/registered capital held by the Company 2013	2012	Principal activities
Indirect subsidiaries (Continued)							
Carterking Limited	BVI/HK	1	US$1	Ordinary	**100**	100	Investment holding
Cathay Motion Picture Studios Limited	BVI/HK	10,000	HK$1	Ordinary	**100**	–	Property investment
Charter Joy Limited	HK	2	HK$1	Ordinary	**73.25**	73.10	Hotel operation
Charter National International Limited	HK	2	HK$1	Ordinary	**100**	100	Property development
Ching Chu (Shanghai) Real Estate Development Company Limited (i)	PRC	N/A	US$8,800,000	N/A	**73.25**	73.10	Hotel management
Chun Wah Holdings Limited	HK	200	HK$1	Ordinary	**100**	100	Property development
Complete Delight Limited	BVI/HK	1	US$1	Ordinary	**73.25**	73.10	Hotel operation
Cosmopolitan Hotel Limited	HK	10,000	HK$1	Ordinary	**73.25**	73.10	Hotel operation
Dorsett Bukit Bintang Sdn. Bhd.	Malaysia	2	RM$1	Ordinary	**100**	100	Property development
Dorsett Hospitality International Limited (formerly known as Kosmopolito Hotels International Limited (listed on the Stock Exchange since 11th October 2012, stock code: 2266))	Cayman Islands/HK	2,000,000,000	HK$0.1	Ordinary	**73.25**	73.10	Investment holding
Dorset Hospitality International (M) Sdn Bhd	Malaysia	2	–	Ordinary	**73.25**	73.10	Investment holding
Dorsett Hospitality International (Singapore) Pte. Limited	Singapore	1	S$1	Ordinary	**73.25**	73.10	Hotel management and consultancy service
Dorsett Hospitality International Services Limited	HK	2	HK$1	Ordinary	**73.25**	73.10	Hotel management
Dorsett Regency Hotel (M) Sdn. Bhd.	Malaysia	5,000,000	RM$1	Ordinary	**73.25**	73.10	Hotel operation
Double Advance Group Limited	BVI/HK	1	US$1	Ordinary	**73.25**	73.10	Hotel operation
Double Gaining Limited	HK	1	HK$1	Ordinary	**100**	100	Administrative services
Dunjoy Limited	HK	2	HK$1	Ordinary	**100**	100	Investment holding
E-Cash Ventures Limited	BVI/HK	1	US$1	Ordinary	**100**	100	Investment holding
Esmart Management Limited	HK	2	HK$1	Ordinary	**73.25**	73.10	Hotel management
Everkent Development Limited	HK	2	HK$1	Ordinary	**73.25**	73.10	Property development
Far East Consortium (B.V.I.) Limited	BVI/HK	50,000	US$1	Ordinary	**100**	100	Investment holding
Far East Consortium (Malaysia) Limited	HK	2	HK$1	Ordinary	**100**	100	Investment holding
Far East Consortium (Netherlands Antilles) N.V.	The Netherlands	6,000	US$1	Ordinary	**100**	100	Investment holding
Far East Consortium China Infrastructure Company Limited	HK	2	HK$1	Ordinary	**100**	100	Investment holding
Far East Consortium China Investments Limited	HK	6,000	HK$100	Ordinary	**100**	100	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Name of subsidiary	Place of incorporation/ establishment and operation	Issued share capital: Number of ordinary shares	Issued share capital: Par value per share/total registered capital	Class of shares	Proportion of nominal value of issued capital/registered capital held by the Company 2013	2012	Principal activities
Indirect subsidiaries (Continued)							
Far East Consortium Holdings (Australia) Pty Limited	Australia	12	A$1	Ordinary	**100**	100	Investment holding
		235	A$42.55	redeemable preference	**100**	100	
Far East Consortium Limited	HK	830,650,000	HK$1	Ordinary	**100**	100	Investment holding and property investment
Far East Consortium Machinery Limited	HK	2	HK$1	Ordinary	**100**	100	Investment holding
Far East Consortium Properties Pty Limited	Australia	12	A$1	Ordinary	**100**	100	Investment holding and property investment
		225	A$44.44	redeemable preference	**100**	100	
Spencer Green Pty Ltd	Australia	1	A$1	Ordinary	**100**	100	Property development
Far East Golf International Limited	HK	5	HK$1	Ordinary	**100**	100	Property development
Far East Real Estate and Agency (H.K.) Limited	HK	60,000	HK$100	Ordinary	**100**	100	Investment holding and loan financing
Far East Rockman Hotels (Australia) Pty Limited	Australia	12	A$1	Ordinary	**100**	100	Investment holding
		375	A$10,000	redeemable preference			
Far East Supermarket Limited	HK	500,000	HK$1	Ordinary	**100**	100	Property investment
FEC Care Park Holdings (Australia) Pty Ltd	Australia	1	A$1	Ordinary	**100**	100	Investment holding
FEC Care Park Pte Ltd	Singapore	1	S$1	Ordinary	**100**	100	Investment holding
FEC Development (Malaysia) Sdn. Bhd.	Malaysia	2	M$1	Ordinary	**100**	100	Investment holding
FEC Financing Solutions Pty Ltd	Australia	1	A$1	Ordinary	**100**	100	Investment holding
FEC Strategic Investments (Netherlands) B.V.	The Netherlands	120,000	DFL1	Ordinary	**100**	100	Investment holding
FECFW 1 Pty Ltd	Australia	1	A$1	Ordinary	**100**	100	Investment holding
FECFW 2 Pty Ltd	Australia	1	A$1	Ordinary	**100**	100	Investment holding
Ficon Roper Street Trust	Australia	N/A	N/A	N/A	**76.05**	73.75	Car park operation
Focus Venue Sdn. Bhd.	Malaysia	100	RM$1	Ordinary	**90**	90	Property development
Fortune Plus (M) Sdn. Bhd.	Malaysia	935,000	RM$1	Ordinary	**100**	100	Property investment
Garden Resort Development Limited	HK	100	HK$1	Ordinary	**100**	100	Property development
Grand Expert Limited	HK	10,000	HK$1	Ordinary	**73.25**	73.10	Hotel operation
Guangzhou Pegasus Boiler Manufacture Company Limited (ii)	PRC	N/A	HK$50,000,000	N/A	**51**	51	Operation of boiler factory
Henrik Investment Limited	HK	2	HK$1	Ordinary	**100**	100	Property investment
Hong Kong Hotel REIT Finance Company Limited	HK	1	HK$1	Ordinary	**73.25**	73.10	Loan financing
Kuala Lumpur Land Holdings Limited	Jersey/HK	100	£1	Ordinary	**100**	100	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued share capital: Number of ordinary shares	Issued share capital: Par value per share/total registered capital	Class of shares	Proportion of nominal value of issued capital/registered capital held by the Company 2013	2012	Principal activities
Indirect subsidiaries (Continued)							
Launceston York Car Park Trust	Australia	N/A	N/A	N/A	**76.05**	73.75	Car park operation
Madison Lighters and Watches Company Limited	HK	4	HK$1	Ordinary	**100`**	100	Investment holding
Mass Perfect Limited	HK	1	HK$1	Ordinary	**73.25**	73.10	Investment holding
Merdeka Labuan Sdn. Bhd.	Malaysia	105,000,000	RM$1	Ordinary	**73.25**	73.10	Hotel operation
Multi Yield (HK) Limited	HK	1	HK$1	Ordinary	**100**	100	Property investment
N.T. Horizon Realty (Jordan) Limited	HK	2	HK$100	Ordinary	**100**	100	Property investment
New Time Plaza Development Limited	HK	1,000	HK$1	Ordinary	**100**	100	Investment holding
New Union Investments (China) Limited	HK	300	HK$1	Ordinary	**100**	100	Investment holding
Oi Tak Enterprises Limited	HK	1,000,000	HK$1	Ordinary	**75**	75	Investment holding
Pandix Limited	HK	1	HK$1	Ordinary	**100**	100	Property development
Panley Limited	HK	1	HK$1	Ordinary	**73.25**	73.10	Property development
Pansy Development Limited	HK	2	HK$1	Ordinary	**100**	100	Property investment
Peacock Management Services Limited	HK	2	HK$1	Ordinary	**100**	100	Administration services
Quadrant Plaza Pty Ltd	Australia	N/A	N/A	Ordinary	**76.05**	73.75	Car park operation
Quadrant Plaza Unit Trust	Australia	N/A	N/A	Ordinary	**76.05**	73.75	Car park operation
Regency Hotels Proprietary Limited	Australia	100	A$1	Ordinary	**100**	100	Investment holding
Rich Diamond Holdings Limited	BVI/HK	10	US$1	Ordinary	**70**	70	Investment holding
Richfull International Investment Limited	HK	1	HK$1	Ordinary	**73.25**	73.10	Bar operation
Ridon Investment Limited	HK	2	HK$1	Ordinary	**100**	100	Investment holding
Roper Debt Pty Ltd	Australia	N/A	N/A	Ordinary	**76.05**	73.75	Car park operation
Roper Street Car Park Pty Ltd	Australia	N/A	N/A	Ordinary	**76.05**	73.75	Car park operation
Roper Street Car Park Unit Trust	Australia	N/A	N/A	N/A	**76.05**	73.75	Car park operation
Roseville Enterprises Limited	HK	6,000	HK$100	Ordinary	**100**	100	Property development
Royal Domain Plaza Pty. Ltd.	Australia	2	A$1	Ordinary	**100**	100	Property investment
Royal Domain Towers Pty. Ltd.	Australia	2	A$1	Ordinary	**100**	100	Property investment
Ruby Way Limited	HK	2	HK$1	Ordinary	**73.25**	73.10	Hotel operation
Scarborough Development Limited	HK	2	HK$1	Ordinary	**100**	100	Property investment
Shanghai Chingchu Property Development Company Limited (ii)	PRC	N/A	US$35,000,000	N/A	**98.2**	98.2	Property development and investment
Shepparton Car Park Pty Ltd	Australia	10,050	A$0.17093	Ordinary	**76.05**	73.75	Car park operation
Shepparton Car Park Trust	Australia	N/A	N/A	N/A	**76.05**	73.75	Car park operation
Singford Holdings Limited	BVI/HK	1	US$1	Ordinary	**100**	100	Treasury management
Star Bridge Development Limited	HK	2	HK$1	Ordinary	**100**	100	Property development
Subang Jaya Hotel Development Sdn Bhd	Malaysia	245,000,000	RM$1	Ordinary	**73.25**	73.10	Hotel operation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued share capital: Number of ordinary shares	Issued share capital: Par value per share/total registered capital	Class of shares	Proportion of nominal value of issued capital/registered capital held by the Company 2013	2012	Principal activities
Indirect subsidiaries (Continued)							
Success Range Sdn. Bhd.	Malaysia	250,000	RM$1	Ordinary	**73.25**	73.10	Hotel operation
Tang City Holdings Pte Ltd.	Singapore	1,000,000	S$1	Ordinary	**100**	100	Property investment
Tang City Parkway Pte Limited	Singapore	10	S$1	Ordinary	**100**	100	Property investment
Tang City Properties Pte Limited	Singapore	2,600,000	S$1	Ordinary	**100**	100	Investment holding
Tang Development Pte Limited	Singapore	2	S$1	Ordinary	**100**	100	Property investment
Tang Hotel Investments Pte. Ltd.	Singapore	2	S$1	Ordinary	**73.25**	73.10	Investment holding and property development
Tang Strategic Investment Pte. Ltd.	Singapore	10	S$1	Ordinary	**100**	100	Property investment
Tang Suites Pte. Ltd.	Singapore	1	S$1	Ordinary	**73.25**	73.10	Property development
Target Term Sdn. Bhd.	Malaysia	2	RM$1	Ordinary	**100**	100	Car park operation
Tantix Limited	HK	1	HK$1	Ordinary	**100**	100	Property development
The Hotel of Lan Kwai Fong Limited	HK	10,000	HK$1	Ordinary	**73.25**	73.10	Hotel operation
Tomarta Sdn. Bhd.	Malaysia	1,000,000	RM$1	Ordinary	**100**	100	Property development
Venue Summit Sdn. Bhd.	Malaysia	250,000	RM$1	Ordinary	**73.25**	73.10	Hotel operation
Vennex Limited	HK	1	HK$1	Ordinary	**100**	100	Property development
Vicco Development Limited	HK	2	HK$1	Ordinary	**100**	100	Investment holding
Vicsley Limited	HK	1,000	HK$1	Ordinary	**73.25**	73.10	Hotel operation
Victoria Land Pty Limited	Australia	12	A$1	Ordinary	**100**	100	Management services
Well Distinct Limited	BVI/HK	1	US$1	Ordinary	**100**	100	Investment holding
Win Chance Engineering Limited	HK	2	HK$1	Ordinary	**100**	100	Engineering services
Zhongshan Developments Limited	BVI/HK	1	US$1	Ordinary	**100**	100	Investment holding
武漢港澳中心物業管理有限公司(iii)	PRC	N/A	RMB500,000	N/A	**73.25**	73.10	Property management
武漢遠東帝豪酒店管理有限公司(i)	PRC	N/A	US$29,800,000	N/A	**73.25**	73.10	Hotel operation
遠東豪酒店管理(成都)有限公司(i)	PRC	N/A	US$38,000,000	N/A	**73.25**	73.10	Property development
上海帝盛酒店有限公司(iii)	PRC	N/A	RMB500,000	N/A	**73.25**	73.10	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.

None of the subsidiaries had issued any debt securities at the end of the year.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, 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.

LIST OF MAJOR PROPERTIES HELD BY THE GROUP

PROPERTY DEVELOPMENT/INVESTMENT PROPERTY

Codes of "Types of Property":

O — Office S — Shops H — Hotel F — Ancillary Facilities
R — Residential CP — Car Park A — Agricultural

Name of property and location	Lot number	Group's interest	Site area (m2)
Mainland China:			
Shanghai			
1. 133 units of shoplots in Qiu Xintiandi Lane 809 Jin Qiu Road, Baoshan District	Various	98.2%	—
2. Jinqiu School, Club House, Kindergarten and Ancillary portion of Area 17I California Garden, Jinqiu Road, Baoshan District	N/A	98.2%	—
3. The unsold portion of California Garden, Jinqiu Road, Baoshan District	N/A	98.2%	—
4. Area 9B, 16, 17II, California Garden, Jinqiu Road, Baoshan District	N/A	98.2%	396,458
5. Commercial Centre B, California Garden, Jinqiu Road, Baoshan District	N/A	98.2%	74,599
6. Area 12 to 15 and 18 California Garden Jinqiu Road, Baoshan District	N/A	98.2%	255,647

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Approximate gross floor area (m^2)	Types of property	Stage of completion	Expected completion date
23,446	S	Completed	Existing
21,942	F	Completed	Existing
1,412	R	Completed	Existing
155,548	R	Under construction	2014 – 2015
9,334	R	Ground clearance	N/A
Not yet determined	R	Planning stage	N/A

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Name of property and location	Lot number	Group's interest	Site area (m2)
Guangzhou			
1. Room 2603, Block 3 Dong-Jun Plaza 836 Dong Feng Road East	N/A	100%	—
2. Room 2604, Block 3 Dong-Jun Plaza 836 Dong Feng Road East	N/A	100%	—
3. New Time Plaza Jian SheHeng MaLu Yue Xiu District	N/A	50%	2,963
4. Gan Tang Yuan Huadidadao East Li Wan District	N/A	100%	7,687
5. Hua Di Jia Yuen 10 Miaoqianjie North, Chajiao Li Wan District	N/A	100%	24,359
Hong Kong			
1. No. 1–11A, San Wai Street HungHom	KIL 7489	100%	680
2. 90–100 Hill Road West Point	IL 1095	100%	535
3. 16th, 18th, 19th, 20th and 24th Floors, (including lavatories on 16th, 18th, 19th, 20th and 24th Floors Flat Roof on 24th Floor), Far East Consortium Building 121 Des Voeux Road Central	IL 2198, 2200, 2201 s.A and IL 2199 RP and s.A, s.B & s.C of ML 299	100%	—
4. Far East Consortium Building 204–206 Nathan Road Tsim Sha Tsui	KIL 10467 RP and KIL 10468 RP	100%	314
5. Fung Lok Wai, Yuen Long	Lot No. 1457RP in DD 123	25.33%	800,000

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Approximate gross floor area (m^2)	Types of property	Stage of completion	Expected completion date
91	O	Completed	Existing
91	O	Completed	Existing
21,343	R	Foundation	N/A
47,080	R	Planning stage	N/A
91,827	R	Under construction	2015
6,060	R	Under construction	2014
4,132	R	Planning Stage	N/A
2,474	O	Completed	Existing
3,549	S & O	Completed	Existing
Not yet determined	R	Planning stage	N/A

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Name of property and location	Lot number	Group's interest	Site area (m2)
6. Various shops on LG/F and UG/F Tsuen Wan Gardens Phase 1 15-23 Castle Peak Road Tsuen Wan	241/4400 shares of and in TWTL 241	100%	—
7. Various Units, Bakerview, 66 Baker Street Hung Hom	HHIL 235 s.B, s.C, s.D, s.E, s.Iss1, s.Iss2 and s.Iss3	100%	604
8. (a) Sheung Yeung Sai Kung	Section A–H, J–L and Remaining Portion of Lot 746 in DD 225	100%	1,861
(b) Sheung Yeung Sai Kung	Ground Floor & First Floor of Section C of Lot 89 in DD 225	100%	N/A
9. No. 684 Clear Water Bay Road	Lot 236 in D.D. 236	100%	1,860
10. Route TWISK, Chuen Lung Tsuen Wan	Tsuen Wan Town Lot 389 Lot 445 RP in DD 360	100%	13,500
11. Tan Kwai Tsuen, Yuen Long	Lot 3927 s.B RP&SS1 in DD 124	100%	4,854
12. Various lots, Pak Kong Sai Kung	Lots 1134 RP, 1137 RP, 1138 & 1139 RP in DD 222	100%	3,524
13. Yau Kam Tau,Tsuen Wan	Lot 232 RP in DD 354	100%	5,940
14. Car Parking Spaces Nos. 14, 24, 27, 30, 34, 44, 53,54,56,62-65,67,70, 75, 77, 91, 94, 96 and 97 on the Basement 1 and Car Parking Spaces Nos. 98, 99, 114, 124, 125,129, 139-141, 144-147, 149-152, 154-157,159-162, 164 and 167 on the Basement 2 Covent Garden, 88 Ma Tin Road Yuen Long	YLTL 419	100%	—
15. 287-293 Sai Yeung Choy Street North Shamshuipo	KIL 317	100%	501
16. Basement to 5th Floor Nos. 135-143, Castle Peak Road Tsuen Wan	Lot 2158 in DD 449	100%	632
17. No.68-86 Wan Fung Street Wong Tai Sin, Kowloon [(i)]	New Kowloon Inland Lot No. 5035	94%	989

Note:

(i) The Group has acquired more than 94% ownership of the site and will continue to acquire the remaining stake for the purpose of redevelopment of the whole site.

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Approximate gross floor area (m²)	Types of property	Stage of completion	Expected completion date
3,822	S	Completed	Existing
2,027	S & R	Completed	Existing
N/A	R	Planning stage	N/A
128	R	Completed	Existing
1,836	R	Completed	Existing
5,400	R	Phase 1 completed	N/A
4,591	R	Under development	2014 – 2015
Not yet determined	A	Planning stage	N/A
—	A	Planning stage	N/A
—	CP	Completed	Existing
3,581	R	Under construction	2014
3,562	S & O	Completed	Existing
8,356	R	Planning stage	N/A

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Name of property and location	Lot number	Group's interest	Site area (m2)
Australia			
1. Upper West Side 313-349 Lonsdale Street Melbourne,Victoria.	Vol 10439 Folio 667 Vol 10372 Folio 666 Vol 4287 Folio 316 Vol 4864 Folio 623 Vol 1953 Folio 469 Vol 1959 Folio 722 Vol 4774 Folio 620 Vol 4682 Folio 328 Vol 10630 Folio 819 Vol 10630 Folio 820 Vol 10632 Folio 451	100%	9,195
2. Upper West side 605-611 Lonsdale Street Melbourne, Victoria	Vol 1726 Folio 024	100%	1,100
3. Upper West Side 244-276 Spencer Street, Melbourne, Victoria (i)	Vol 8683 Folio 095 Vol 3543 Folio 465 Vol 3197 Folio 345 Vol 6659 Folio 775&776 Vol 8715 Folio 196 Vol 10705 Folio 970	100%	11,760
4. Royal Domain Corporate, 370 St Kilda Road Melbourne, Victoria	Lots 501-508, 7C, 14C, 46C, 47C, 58C, 75C, 95C, 109C, 110C, and 111C	100%	496
5. Northbank Place — Rebecca Walk	Lease 2150, 2090 and 2147 OP 122674	100%	734
	Lot 8C PS 549363	100%	94.8
— 11 Gem Place	Lot 6W PS 604245	100%	44.5
— 5 Norval Place			

Note:

(i) Contract of sale was entered on 14 June 2013 for acquisition of the property and completion will take place after 10 months from the date of the contract of Sale.

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Approximate gross floor area (m^2)	Types of property	Stage of completion	Expected completion date
81,446	R & S	Under construction — Stage 1	Existing
		Under construction — Stage 2	2014
		Under construction — Stage 3	2015
		Planning — Stage 4	N/A
Not yet determined	R	Planning	N/A
202,000	R	Planning	N/A
496	O	Completed	Existing
734	S	Completed	Existing
94.8	S	Completed	Existing
44.5	S	Completed	Existing

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

	Name of property and location	Lot number	Group's interest	Site area (m2)
Malaysia				
1.	Sri Jati Service Apartments Jalan Jati, Off Jalan Imbi Kuala Lumpur	Lot 1292 Section 67, Town and District of Kuala Lumpur, Wilayah Persekutuan	100%	886
2.	Mukim of Kerling District of Hulu Selangor Selangor Darul Ehsan	Lots 600 and 619	100%	422,907
3.	Lot 470, Jalan Imbi Kuala Lumpur	Geran 36268, Lot 470 Section 67 City of Kuala Lumpur Wilayah Persekutuan	100%	1,644
Singapore				
1.	No. 100, Eu Tong Sen Street Pearl's Centre Carpark (i)	Lot U871W	100%	—
2.	100A Eu Tong Sen Street Pearl's Centre Office Podium (i)	Lot U865L	100%	—
3.	Dorsett Residence 331&333 New Bridge Road (ii)	Land Lots 777w & 782P of Town Subdivision 5	73.25%	4,650

Notes:

(i) On 24 April 2013, the Group accepted an offer for compulsory acquisition from Singapore government with the delivery date of possession in August 2014.

(ii) This is the Residential Component of Dorsett Singapore held by Dorsett located on the Outram Park MRT Station. This Residential Component has its GFA of 5,411m^2 representing 33.4% of the total GFA of the whole site which has a total site area of 4,650m^2.

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Approximate gross floor area (m^2)	Types of property	Stage of completion	Expected completion date
4,685	R	Completed	Existing
—	A	Planning	N/A
20,200	R	Under construction	2016
14,044	CP	Completed	Existing
8,007	S & O	Completed	Existing
5,411[(ii)]	R	Under construction	2013

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

HOTELS

Name of property and location		Lot number	Group's interest	Site area (m2)
U. K.				
1.	Dorsett Shepherds Bush London 58 Shepherd's Bush Green London, U.K.	N/A	73.25%	3,100
2.	Dorsett City, London 9-13 Aldgate, High Street, London	N/A	73.25%	N/A
Hong Kong				
1.	Cosmopolitan Hotel Hong Kong[(i)] No. 387 Queen's Road East Wanchai	IL 1578RP	73.25%	1,093
2.	Silka West Kowloon No. 48 Anchor Street Tai Kok Tsui	KIL 6374	73.25%	357
3.	Cosmo Hotel Hong Kong No. 375 Queen's Road East Wanchai	IL 1578 s.Ass1	73.25%	380
4.	Lan Kwai Fong Hotel@Kau U Fong No. 3 Kau U Fong Central	IL 8852 RP	73.25%	377
5.	Silka Far East, Hong Kong Nos. 135–143 Castle Peak Road Tsuen Wan	Lot 2158 in DD 449	73.25%	632
6.	Silka Seaview, Hong Kong No. 268 Shanghai Street Yau Ma Tei	KIL 9944, 9701, 9705, 9727, 9769 & 7429	73.25%	502
7.	Cosmo Hotel Mongkok[(ii)] Nos. 88 Tai Kok Tsui Road Tai Kok Tsui	KIL 8050	73.25%	514
8.	Dorsett Kwun Tong No. 84 Hung To Road Kwun Tong, Kowloon	KTIL 162	73.25%	929
9.	Dorsett Tsuen Wan No. 698 Castle Peak Road Kwai Chung, New Territories	Kwai Chung Town Lot 193	73.25%	2,323
10.	Silka Tsuen Wan No. 119 Wo Yi Hop Road, Kwai Chung, New Territories	Kwai Chung Town Lot 167	73.25%	1,312
Mainland China				
1.	Dorsett Grand Chengdu Nos. 168 Xiyulong Road Qingyang District Chengdu Sichuan Province	N/A	73.25%	5,866

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Approximate gross floor area (m^2)	Types of property	Stage of completion	Expected completion date
14,651	H	Under construction	2014
6,152	H	Planning stage	2016
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
21,250	H	Under construction	2014
14,592	H	Under construction	2016
67,617	H	Completed	Existing

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Name of property and location	Lot number	Group's interest	Site area (m2)
2. Dorsett Wuhan No. 118 Jiang Han Road Jiang An District Wuhan City Hubei Province	N/A	73.25%	5,339
3. Dorsett Shanghai No. 800 Huamu Road, Pudong New Area Shanghai	N/A	73.25%	3,990
4. Dorsett, Zhongshan Xintiecheng Hotel Block A No. 107 Zhongshan Yi Road West District Zhongshan	N/A	73.25%	11,170
5. Dorsett Grand Zhuji Wuxie Town, Zhuji Zhejiang Province	N/A	18.31%	60,736

Notes:

(i) To be rebranded as Dorsett Wan Chai, Hong Kong.

(ii) To be rebranded as Dorsett MongKok, Hong Kong.

Malaysia

Name of property and location	Lot number	Group's interest	Site area (m2)
1. Dorsett Regency Kuala Lumpur 172, Jalan Imbi 55100 Kuala Lumpur Malaysia	Lot 1300 Seksyen 0067 held under Title No. GRN 49963 Town and District of Kuala Lumpur Wilayah Persekutuan KL	73.25%	1,270
2. Dorsett Grand Subang Jalan SS 12/1, 47500 Subang Jaya Selangor Darul Ehsan Malaysia	Lots 4244 and 4245 held under title was GRN 38842 and 38843 Mukim of Damansara District of Petaling Selangor	73.25%	37,782
3. Dorsett Grand Labuan 462, Jalan Merdeka, 87029 Federal Territory of Labuan Malaysia	Lot TL 207531888, Town of Labuan Federal Territory of Labuan	73.25%	6,071
4. Silka Maytower Hotel & Serviced Residences No. 7, Jalan Munshi Abdullah, 50100 Kuala Lumpur	Lot 301 Section 40 held under Title No. GRN 54118 Town and District of Kuala Lumpur Wilayah Persekutuan	73.25%	2,162
5. Silka Johor Bahru Lot 101375 Jalan Masai Lama Mukim of Plentong District of Johor Bahru State of Johor	Lot 66270 held under Title No. GRN 358714 Mukim of Plentong District of Johor Bahru	73.25%	4,370

Singapore

Name of property and location	Lot number	Group's interest	Site area (m2)
1. Dorsett Singapore 333 at New Bridge Road Singapore	Lots 777W & 782P Town Subdivision (TS)	73.25%	4,650

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Approximate gross floor area (m^2)	Types of property	Stage of completion	Expected completion date
67,307	H	Completed	Existing
18,149	H	Completed	Existing
42,635	H	Under construction	2015
36,905	H	Under construction	2015
27,753	H	Completed	Existing
43,264	H	Completed	Existing
21,565	H	Completed	Existing
5,623	H	Completed	Existing
8,804	H	Completed	Existing
16,226	H & R	Completed	Existing

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

CAR PARK PROPERTY

	Name of property and location	Lot number	Group's interest
Australia			
1.	12 Blyth Street/13–19 Bank Street Adelaide, South Australia Australia	Freehold Title — Volume 5234 Folio 147, Volume 5234 Folio 148 and Volume 5215 Folio 282	76.05%
2.	12 Blyth Street/13–19 Bank Street Adelaide, South Australia Australia	Freehold Title — Volume 5234 Folio 147, Volume 5234 Folio 148 and Volume 5215 Folio 282	76.05%
3.	Central Square 25 Doveton Street South Ballarat, Victoria Australia	Pt Lot 1 LP 529677 Freehold Title — Volume 10951 Folio 752	76.05%
4.	Fenton Street Devonport, Tasmania Australia	Freehold Title — Volume 129295 Folio 1	76.05%
5.	Gasworks Willis Street Launceston, Tasmania Australia	Volume 156397 Folios 1–36, together with use of common area rights of access	76.05%
6.	Hub Arcade 15–23 Langhorne Street Dandenong, Victoria Australia	Lot 67 SP 32395 Freehold Title — Volume 9902 Folio 822, Unit 67 on Strata Plan 032395Q (116 spaces)	76.05%
7.	133–141 Melville Street Hobart, Tasmania Australia	Freehold Title — Volume 242159 Folio 1	76.05%
8.	2–6 Mundy Street Bendigo, Victoria Australia	Freehold Title — Volume 10488 Folio 371–374 inclusive/Volume 8294 Volume 508	76.05%
9.	Northbank Place 507–581 Flinders Street Melbourne, Victoria Australia	Plan of Subdivision PS549363A Certifi cate of Title Volume 10996 Folio 727 Lot 11, Unit 11C	76.05%
10.	Quadrant Plaza (Dell Lane) 94 York Street Launceston, Tasmania Australia	Freehold Title — Volume 31824 Folio 1, Volume 34252 Folio 2	76.05%
11.	Quadrant Plaza 94 York Street Launceston, Tasmania Australia	Freehold Title — Volume 31824 Folio 1, Volume 34252 Folio 2	76.05%
12.	344 Queen Street Brisbane, Queensland Australia	Freehold Title — Title Reference 18071152 — Lot 1BUP 10464	76.05%
13.	15 Roper Street Adelaide, South Australia Australia	Freehold Title — Volume 5335 Folio 342, Allotment 5, Deposited Plan 25203	76.05%

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Site area (m^2)	Types of property	Stage of completion	Expected completion date
1,888	CP	Completed	Existing
1,679	S	Completed	Existing
2,898	CP	Completed	Existing
615	CP	Completed	Existing
750	CP	Completed	Existing
4,596	CP	Completed	Existing
890	CP	Completed	Existing
1,359	CP	Completed	Existing
6,143	CP	Completed	Existing
3,333.80	CP	Completed	Existing
1,690	S	Completed	Existing
1,290	CP	Completed	Existing
2,057	CP	Completed	Existing

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Name of property and location	Lot number	Group's interest
14. 14–14 Stewart Street Shepparton, Victoria Australia	Freehold Title — Volume 4963 Folio 501, Volume 5281 Folio 195, Volume 4437 Folio 356, Volume 8800 Folio 444, Volume 8632 Folio 508	76.05%
15. 360 St Kilda Road Melbourne, Victoria Australia	Freehold Title — Lots 1D — 86D on Plan of Subdivision PS419703E	76.05%
16. Toorak Place 521 Toorak Road South Yarra, Victoria Australia	Freehold Title — Volume 10896, Folios 196–230, 328–330 and 394–403 inclusive, being Lots 12–49 and 58–67 on Plan of Subdivision 527035	76.05%
17. 9–23 Watchorn Street Hobart, Tasmania Australia	Freehold Title — Volume 29586 Folio 1, Allotment 1, Deposited Plan 29586	76.05%
18. Watergate 767 Bourke Street Docklands, Victoria Australia	Freehold Title — Volume 10925 Folios 766–878 inclusive	76.05%
19. York Street Central 124 York Street Launceston, Tasmania Australia	Freehold Title — Volume 33521 Folio 1	76.05%
Malaysia		
1. Plaza Damas, Sri Hartamas Kuala Lumpur Malaysia (Basement car park)	Geran 59225, Lot 56228 City of Kuala Lumpur Wilayah Persekutuan	100%
2. Windsor & Waldorf Tower Service Apartments, Sri Hartamas Kuala Lumpur, Malaysia	Part of Master Title no. Geran 59219, Lot 56229 City of Kuala Lumpur Wilayah Persekutuan	100%

LIST OF MAJOR PROPERTIES HELD BY THE GROUP (CONTINUED)

Site area (m^2)	Types of property	Stage of completion	Expected completion date
2,716	CP	Completed	Existing
2,050	CP	Completed	Existing
1,500	CP	Completed	Existing
820	CP	Completed	Existing
3,135	CP	Completed	Existing
1,252	CP	Completed	Existing
58,125	CP	Completed	Existing
5,040	CP	Completed	Existing

GLOSSARY

"2013 AGM"	the forthcoming annual general meeting of the Company to be held on Thursday, 29 August 2013 at 11:30 a.m. at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387–397 Queen's Road East, Wanchai, Hong Kong.
"Articles"	Articles of Association of the Company, as amended from time to time.
"Associate"	has the meaning ascribed to it under the Listing Rules.
"AUD" or "AU$"	Australian dollars, the lawful currency of Australia.
"Australia BBSW"	Australia Bank Bill Swap Reference Rate.
"Board"	Board of Directors of the Company.
"BVI"	the British Virgin Islands.
"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).
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules.
"Director(s)"	director(s) of the Company.
"Dorsett"	Dorsett Hospitality International Limited, formerly known as Kosmopolito Hotels International Limited, a public limited company incorporated in the Cayman Islands with its shares listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2266).

GLOSSARY (CONTINUED)

"Dorsett Group"	Dorsett and its subsidiaries.
"Dorsett Share Option Scheme"	the share option scheme of Dorsett was adopted on 10 September 2010.
"EIT"	People's Republic of China Enterprise Income Tax.
"FECIL Share Option Schemes"	the share option schemes of the Company were adopted pursuant to the resolutions passed by the Shareholders on 28 August 2002 and 31 August 2012.
"FVTPL"	Financial Assets at Fair Value through Profit or Loss.
"FY"	Financial Year.
"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.
"HKFRSs"	Hong Kong Financial Reporting Standards.
"HKICPA"	the Hong Kong Institute of Certified Public Accountants.
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of PRC.
"Hong Kong Companies Ordinance"	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

GLOSSARY (CONTINUED)

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited.
"LAT"	People's Republic of China Land Appreciation Tax.
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.
"m^2"	Square meter.
"Malaysia BLR"	Malaysia Base Lending Rates.
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules.
"NAV"	Net Asset Value.
"PBOC"	People's Bank of China Prescribed Interest Rate.
"PRC" or "Mainland China" or "China"	other regions in the People's Republic of China, and for the purpose of this annual report and unless otherwise stated, references in this annual report to the PRC do not include Taiwan, Hong Kong or Macau Special Administrative Region of the PRC.
"RevPAR"	Revenue Per Available Room.
"S$ SOR"	Singapore Swap Offered Rate.

GLOSSARY (CONTINUED)

"Securities"	as the securities as defined in Schedule 1 to the SFO.
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
"SGD" or "S$" or "SG$"	Singapore dollars, the lawful currency of Singapore.
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company.
"Shareholder(s)"	holder(s) of Share(s).
"Shangqiu Yongyuan"	Shangqiu Yongyuan Development Company Limited.
"sq. ft." or "Sq. Ft."	Square feet.
"Subsidiaries"	the subsidiaries as defined in Schedule 1 to the SFO.
"The MPF Scheme"	Mandatory Provident Fund Scheme.
"USD" or "US$"	United States dollars, the lawful currency of the United States of America.
"Year" or "FY 2013"	the financial year of the Company from 1 April 2012 to 31 March 2013.
"£"	pounds sterling, the lawful currency of the United Kingdom.
"%"	per cent.

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