FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Website: http://www.fecil.com.hk

(Stock Code: 35)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2014

RESULTS

The board of directors (the "Board") of Far East Consortium International Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2014 as follows:

FINANCIAL HIGHLIGHTS

- Revenue increased by 8.9% to approximately HK$4.1 billion and gross profits increased by 51.2% to approximately HK$1.6 billion.
- Cumulative contracted presale value of properties under development amounted to approximately HK$4.7 billion as at 31 March 2014.
- Net assets attributable to shareholders was HK$4.73 per share as at 31 March 2014. Adjusting for hotel revaluation surplus, net assets attributable to shareholders increased from HK$8.45 per share to HK$9.12 per share[(i)].
- Net gearing ratio was at 31.7%[(i)(ii)] and total cash and investment securities balances was at approximately HK$3.2 billion as at 31 March 2014.
- Net profit attributable to shareholders increased by 1.2% to approximately HK$914 million. Earnings per share amounted to HK$0.51. Adjusting for a one-time net tax write back of HK$144 million for the year ended 31 March 2013, net profit attributable to shareholders increased by 20.4%.
- Final dividend of HK$0.12 per share was recommended for the year ended 31 March 2014 (2013: HK$0.11 per share).

Notes:

(i) Revaluation surplus on hotel assets of approximately HK$10,954 million as at 31 March 2014 (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.

(ii) Net gearing ratio calculated by dividing total debt and borrowings less cash and investment securities balances by carrying amount of total equity and revaluation surplus on hotel assets.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2014

	NOTES	2014 HK$'000	2013 HK$'000
Revenue		**4,066,494**	3,732,172
Cost of sales and services		**(2,298,312)**	(2,547,512)
Depreciation and amortisation of hotel and car park assets		**(215,210)**	(158,010)
Gross profit		**1,552,972**	1,026,650
Other income		**41,176**	16,282
Gain on disposal of a subsidiary		**66,652**	458,358
Other gains and losses	4	**484,767**	217,844
Administrative expenses			
– Hotels operation and management		**(317,335)**	(274,499)
– Others		**(221,092)**	(211,622)
Pre-opening expenses			
– Hotels operation and management		**(13,596)**	(26,107)
Selling and marketing expenses		**(69,714)**	(85,646)
Share of results of associates		**6,360**	73,656
Share of results of joint ventures		**(2,904)**	(2,904)
Finance costs	5	**(281,400)**	(168,033)
Profit before tax		**1,245,886**	1,023,979
Income tax (expense) credit	6	**(219,851)**	54,391
Profit for the year	7	**1,026,035**	1,078,370
Attributable to:			
Shareholders of the Company		**914,057**	903,046
Non-controlling interests		**111,978**	175,324
		1,026,035	1,078,370
Earnings per share			
Basic *(HK cents)*	8	**51**	50
Diluted *(HK cents)*		**51**	50

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	HK$'000	*HK$'000*
Profit for the year	**1,026,035**	1,078,370
Other comprehensive (expense) income for the year		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	**(162,406)**	16,228
Revaluation increase on available-for-sale investments	**694**	3,190
Fair value adjustment on cross currency swap contracts designated as cash flow hedge	**51,550**	(7,593)
Reclassification to profit or loss on disposal of available-for-sale investments	**2,768**	(2,838)
Reclassification of hedging reserve to profit or loss	**(27,329)**	(6,000)
Other comprehensive (expense) income for the year	**(134,723)**	2,987
Total comprehensive income for the year	**891,312**	1,081,357
Total comprehensive income attributable to:		
Shareholders of the Company	**782,291**	906,092
Non-controlling interests	**109,021**	175,265
	891,312	1,081,357

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2014

	NOTES	**2014** **HK$'000**	2013 *HK$'000*
Non-current Assets			
Investment properties		**2,677,607**	2,431,917
Property, plant and equipment		**7,406,966**	6,653,119
Prepaid lease payments		**579,274**	595,036
Other assets		**–**	296,250
Goodwill		**68,400**	68,400
Interests in associates		**316,184**	315,608
Interests in joint ventures		**43,956**	47,115
Investment securities		**11,477**	146,604
Derivative financial instruments designated as hedging instruments		**35,122**	–
Deposits for acquisition of property, plant and equipment		**391,826**	133,864
Amounts due from associates		**70,774**	70,744
Amount due from a joint venture		**27,295**	27,295
Amount due from an investee company		**119,995**	119,995
Other receivables		**17**	45
Pledged deposits		**2,831**	34,788
Deferred tax assets		**33,644**	5,000
		11,785,368	10,945,780
Current Assets			
Properties for sale			
Completed properties		**56,734**	295,582
Properties for/under development		**5,598,333**	4,142,719
Other inventories		**9,896**	9,034
Prepaid lease payments		**15,947**	16,034
Debtors, deposits and prepayments	*10*	**653,594**	412,836
Other receivables		**685,751**	142,365
Tax recoverable		**21,312**	87,212
Investment securities		**1,011,640**	137,982
Derivative financial instruments		**2,238**	5,354
Pledged deposits		**173,989**	141,516
Restricted bank deposits		**62,568**	257,117
Deposit in a financial institution		**78,591**	100,000
Time deposits		**–**	12,500
Bank balances and cash		**1,829,330**	2,620,653
		10,199,923	8,380,904
Assets classified as held for sale		**–**	91,410
		10,199,923	8,472,314

	NOTES	2014 HK$'000	2013 HK$'000
Current Liabilities			
Creditors and accruals	*11*	**1,137,842**	837,209
Customers' deposits received		**515,027**	958,346
Obligations under finance leases		**3,159**	158
Amounts due to related companies		**45,785**	62,660
Amounts due to associates		**11,358**	12,453
Amounts due to non-controlling shareholders of subsidiaries		**29,422**	30,070
Convertible bonds		**32,978**	–
Derivative financial instruments		**1,841**	20,290
Tax payable		**208,502**	185,506
Secured bank and other borrowings		**4,252,487**	4,713,839
		6,238,401	6,820,531
Net Current Assets		**3,961,522**	1,651,783
Total Assets less Current Liabilities		**15,746,890**	12,597,563
Non-current Liabilities			
Secured bank and other borrowings		**3,270,918**	1,904,089
Obligations under finance leases		**4,001**	1,010
Convertible bonds		**–**	31,169
Bonds		**2,252,691**	1,250,000
Derivative financial instruments designated as hedging instruments		**–**	7,593
Deferred tax liabilities		**268,450**	253,242
		5,796,060	3,447,103
Net Assets		**9,950,830**	9,150,460
Capital and Reserves			
Share capital		**184,951**	176,891
Share premium		**2,802,276**	2,617,925
Reserves		**5,762,676**	5,217,714
Equity attributable to shareholders of the Company		**8,749,903**	8,012,530
Non-controlling interests		**1,200,927**	1,137,930
Total Equity		**9,950,830**	9,150,460

NOTES
FOR THE YEAR ENDED 31 MARCH 2014

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

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

In the current year, the Group has applied the following new and revised 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 2013.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments to HKFRS 7	Disclosures – Offset Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transaction Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

New and revised HKFRSs issued but not effective

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

Amendments to HKFRSs	Annual Improvement to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations[4]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to HKAS 19	Defined Benefits Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted
[2] Effective for annual periods beginning on or after 1 July 2014, except as disclosed below. Early application is permitted
[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised
[4] Effective for annual periods beginning on or after 1 January 2016

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 the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accountings.

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 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.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors of the Company anticipate that the adoption of HKFRS 9 in the future may have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

3. SEGMENT INFORMATION

The Group determines its operating segments based on internal reporting about components that are regularly reviewed by the chief operating decision maker. Information reported to the Group's chief operating decision makers, who are the executive directors of the Company, for the purposes of resource allocation and assessment of performance is mainly focused on the property development, property investment, hotel operations and management, and car park 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. Segment profit (loss) represents the pre-tax earned (incurred) by each segment without allocation of central administrative costs, directors' salaries and certain finance costs.

	Segment revenue		Segment profit (loss)	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Property development				
– Australia	**958,509**	1,838,519	**268,444**	159,995
– Hong Kong ("HK")	**14,573**	95,174	**46,112**	24,825
– Malaysia	**86**	478	**(2,813)**	1,790
– Other regions in People's Republic of China excluding HK ("PRC")	**615,660**	11,377	**351,558**	(13,070)
– United Kingdom ("UK")	**–**	–	**(365)**	**–**
	1,588,828	1,945,548	**662,936**	173,540
Property investment				
– HK	**33,548**	32,769	**56,531**	372,992
– PRC	**13,662**	12,848	**(27,716)**	(17,789)
– Singapore	**12,031**	16,166	**256,119**	(14,241)
	59,241	61,783	**284,934**	340,962
Operations of Dorsett and its subsidiaries, including hotel operations and management, property development and investments and securities and financial product investments				
– HK	**733,388**	744,712	**174,638**	702,899
– Malaysia	**310,003**	288,140	**58,890**	45,486
– PRC	**169,959**	120,090	**(69,913)**	(43,675)
– Singapore *(note)*	**572,500**	–	**262,647**	(13,366)
– UK	**–**	–	**(11,571)**	979
	1,785,850	1,152,942	**414,691**	692,323
Car park operations				
– Australia	**595,752**	549,812	**57,697**	38,308
– Malaysia	**16,776**	17,548	**6,772**	7,559
	612,528	567,360	**64,469**	45,867
Securities and financial product investments	**19,937**	4,535	**17,914**	3,765
Other operations	**110**	4	**(5,822)**	(71,602)
Segment revenue/segment profit	**4,066,494**	3,732,172	**1,439,122**	1,184,855
Unallocated corporate expenses			**(79,097)**	(92,848)
Finance costs			**(114,139)**	(68,028)
Profit before tax			**1,245,886**	1,023,979
Income tax (expense) credit			**(219,851)**	54,391
Profit for the year			**1,026,035**	1,078,370

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

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

Note: The segment revenue and segment profit (loss) of this segment for the year ended 31 March 2014 include the sales of properties in Singapore amounting to HK$498,392,000 (2013: nil) and HK$131,506,000 (2013: loss of HK$3,488,000), respectively.

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.

	2014	2013
	HK$'000	*HK$'000*
Property development		
– Australia	**2,197,602**	1,196,815
– HK	**1,632,401**	1,220,918
– Malaysia	**383,806**	373,007
– PRC	**2,261,219**	2,430,818
– UK	**223,138**	–
	6,698,166	5,221,558
Property investment		
– HK	**2,149,237**	2,151,464
– PRC	**4,657**	6,887
– Singapore	**507,150**	297,758
	2,661,044	2,456,109
Operations of Dorsett and its subsidiaries, including hotel operations and management, property development and investments and securities and financial product investments		
– HK	**5,082,139**	3,640,069
– Malaysia	**1,071,002**	1,077,778
– PRC	**2,286,087**	2,059,279
– Singapore	**880,293**	943,753
– UK	**934,554**	558,740
	10,254,075	8,279,619
Car park operations		
– Australia	**683,177**	721,398
– Malaysia	**149,807**	154,050
	832,984	875,448
Securities and financial product investments	**507,243**	300,204
Other operations	**315,136**	294,022
Segment assets	**21,268,648**	17,426,960
Unallocated corporate assets	**716,643**	1,991,134
Total assets	**21,985,291**	19,418,094

4. OTHER GAINS AND LOSSES

	2014	2013
	HK$'000	*HK$'000*
Change in fair value of investment properties	**29,994**	298,603
(Loss) gain on disposal of available-for-sale investments	**(2,768)**	2,838
Change in fair value of investments held for trading	**(35,733)**	5,140
Gain arising on transfer of completed properties for sale to investment properties	**204,258**	–
Change in fair value of derivative financial instruments	**16,619**	(11,380)
Gain on reclassification from hedge reserve to profit or loss upon recognition of hedged item to profit or loss	**27,329**	–
Gain on compensation from relevant government authority of Singapore	**258,960**	–
Gain on partial repurchase of bonds	**2,067**	–
Impairment loss on interest in a joint venture	**–**	(40,951)
Net foreign exchange loss	**(12,418)**	(1,183)
Allowance for bad and doubtful debts	**(3,067)**	(35,647)
(Loss) gain on disposal of property, plant and equipment	**(474)**	424
	484,767	217,844

5. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest on:		
Bank borrowings		
– wholly repayable within five years	**274,681**	314,817
– not wholly repayable within five years	**29,290**	27,110
Other loans wholly repayable within five years	**2,897**	4,550
Convertible bonds	**2,252**	2,182
Finance leases	**15**	21
Bonds	**136,978**	5,432
Less: Net interest income from cross currency swap contracts	**(26,303)**	–
Amortisation of front-end fee	**17,881**	15,215
Others	**2,431**	1,338
Total interest costs	**440,122**	370,665
Less: amounts capitalised to properties under development		
– investment properties	**(4,054)**	(3,239)
– properties for owners' occupation	**(31,354)**	(45,749)
– properties for sale	**(123,314)**	(153,644)
	281,400	168,033

6. INCOME TAX EXPENSE (CREDIT)

	2014	2013
	HK$'000	*HK$'000*
The income tax expense (credit) comprises:		
Current tax:		
Hong Kong Profits Tax	**35,445**	47,488
PRC Enterprise Income Tax ("PRC EIT")	**81,993**	49,560
PRC Land Appreciation Tax ("PRC LAT")	**31,912**	–
Australia Income Tax	**37,409**	22,005
Malaysia Income Tax	**5,786**	6,248
Singapore Income Tax	**24,889**	1,166
	217,434	126,467
Under (over) provision in previous years:		
Hong Kong Profits Tax	**3,273**	4,312
PRC LAT (note)	**–**	(192,657)
Australia Income Tax	**(17,516)**	–
Malaysia Income Tax	**122**	43
Singapore Income Tax	**(521)**	–
	(14,642)	(188,302)
Deferred taxation	**17,059**	7,444
	219,851	(54,391)

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 the deemed levying rates in accordance with the relevant PRC Tax laws and regulations.

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

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 during the year ended 31 March 2013.

7. PROFIT FOR THE YEAR

	2014	2013
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Cost of properties sold recognised as an expense	**1,332,282**	1,678,976
Auditor's remuneration	**11,400**	10,774
Depreciation		
– Operations of Dorsett and its subsidiaries	**187,003**	129,234
– Car park operations	**19,878**	21,249
– Others	**14,164**	13,315
	221,045	163,798
Amortisation of prepaid lease payments	**10,632**	13,256
Less: Amount capitalised to properties under development for owners' occupation	**(564)**	(1,120)
	10,068	12,136
Amortisation of intangible assets	**–**	2,100
Amortisation of investment in a joint venture (included in share of results of joint ventures)	**2,904**	2,904
Allowance for bad and doubtful debts	**3,067**	35,647
Staff costs		
Directors' emolument	**18,918**	19,220
Other staff	**549,370**	465,898
Share option payment expense for other staff	**3,791**	3,861
	572,079	488,979
Share of taxation of associates (included in share of results of associates)	**(1,196)**	1,705
and after crediting:		
Rental income, net of outgoings of HK$49,524,000 (2013: HK$24,068,000)	**72,037**	87,785
Dividend income from:		
Investment held for trading	**12,086**	2,265
Available-for-sale investments	**144**	2,496
	12,230	4,761
Bank interest income	**5,875**	6,754

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the shareholders of the Company is based on the consolidated profit for the year attributable to the shareholders of the Company of HK$914,057,000 (2013: HK$903,046,000) and the number of shares calculated as follows:

	2014	2013
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,800,908**	1,816,434
Effect of dilutive potential ordinary shares – Company's share options	**4,776**	1,076
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,805,684**	1,817,510

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.

9. DIVIDENDS

	2014	2013
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2014 interim dividend of HK3 cents per share (2013: 2013 interim dividend of HK2 cents per share)	**55,133**	35,122
2013 final dividend of HK11 cents per share (2013: 2012 final dividend of HK5 cents per share)	**195,009**	86,488
	250,142	121,610

A final dividend for the year ended 31 March 2014 of HK12 cents (2013: HK11 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.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of HK$162,886,000 (2013: HK$79,902,000).

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

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

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

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

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

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:

	2014	2013
	HK$'000	*HK$'000*
0–60 days	**77,229**	70,863
61–90 days	**3,776**	2,818
Over 90 days	**81,881**	6,221
	162,886	79,902

11. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK$182,930,000 (2013: HK$225,266,000). The following is an aged analysis of the trade creditors:

	2014	2013
	HK$'000	*HK$'000*
0–60 days	**146,821**	140,680
61–90 days	**1,832**	1,374
Over 90 days	**34,277**	83,212
	182,930	225,266

FINAL DIVIDEND

The Board has recommended the payment of a final dividend for the year ended 31 March 2014 of HK12 cents (2013: HK11 cents) per ordinary share (the "Proposed Final Dividend"). The Proposed Final Dividend will be paid to the shareholders of the Company (the "Shareholders") whose names appear on the Company's Register of Members on 11 September 2014. 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 28 August 2014 (the "2014 AGM"); and (ii) the Stock Exchange granting listing of and permission to deal in the new shares to be allotted thereunder. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company on the Stock Exchange for the 5 trading days prior to and including 11 September 2014. 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 22 September 2014. Dividend warrants and/or new share certificates will be posted on or around 24 October 2014.

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 2014 AGM

As set out above, the 2014 AGM is scheduled to be held on Thursday, 28 August 2014. For determining the entitlement to attend and vote at the 2014 AGM, the Register of Members of the Company will be closed from Tuesday, 26 August 2014 to Thursday, 28 August 2014, 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 2014 AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 25 August 2014.

(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 2014 AGM. For determining the entitlement to the Proposed Final Dividend, the Register of Members of the Company will also be closed from Monday, 8 September 2014 to Thursday, 11 September 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 5 September 2014.

FINANCIAL REVIEW

	For the year ended 31 March		
	2014	2013	Change
	HK$ million	*HK$ million*	
Revenue			
Sales of properties	**2,087**	1,946	7.2%
Hotel operations and management	**1,287**	1,153	11.6%
Car park operations and facility management	**613**	567	8.1%
Leasing of properties	**59**	62	(4.8%)
Others	**20**	4	
Total Revenue	**4,066**	3,732	8.9%
Gross Profit			
Sales of properties	**729**	231	215.6%
Hotel operation and management	**652**	650	0.3%
Car park operations and facility management	**129**	112	15.2%
Leasing and others	**43**	34	26.5%
Total Gross Profit	**1,553**	1,027	51.2%
Profit before tax	**1,246**	1,024	21.7%
Profit attributable to shareholders	**914**	903	1.2%
Earnings per share	**HK51 cents**	HK50 cents	
Dividend per share	**HK15 cents**	HK13 cents	

Note: Sales of properties was adjusted to include sales and gross profit margin in connection with Dorsett Residences Singapore of HK$498 million and of HK$147 millions respectively, which was part of Dorsett's revenue and gross profit.

1. Annual results

The Company's consolidated revenue for the financial year ended 31 March 2014 was approximately HK$4,066 million, an increase of 8.9% as compared with last financial year.

Revenue from sales of properties amounted to approximately HK$2,087 million for the financial year ended 31 March 2014, an increase of 7.2% as compared with last financial year. Dorsett Residences, Singapore, The Royal Crest, Shanghai, Upper West Side (Stage 2), Melbourne and the remaining units in Upper West Side (Stage 1), Melbourne contributed primarily to the sales of properties during the year.

Revenue from hotel operations and management contributed approximately HK$1,287 million to the Company's total revenue this year while car park operations and facility management contributed approximately HK$613 million to the Company's total revenue, an increase of 11.6% and 8.1% respectively compared to the last financial year. Revenue relating to property investment decreased by approximately HK$3 million.

Gross profit and net profit before tax of the Company for the financial year ended 31 March 2014 were approximately HK$1,553 million and HK$1,246 million respectively, an increase of 51.2% and 21.7% respectively as compared with last financial year.

Net profit attributable to shareholders of the Company for the financial year ended 31 March 2014 amounted to approximately HK$914 million, an increase of 1.2% as compared with last financial year.

For the financial year ended 31 March 2013, approximately HK$458 million gain was recognized from the disposal of a subsidiary holding Dorsett Hotel Kennedy Town, located in Hong Kong and there was a net tax write back of approximately HK$144 million. Neither item was repeated in the financial year ended 31 March 2014. Despite these, the Group recorded an increase in net profit before tax and profit after tax primarily due to increase in completion of residential development projects and higher profit margin from residential development and a gain of approximately HK$259 million from the compulsory acquisition of Pearl's Centre, Singapore by the Singapore authority.

2. Liquidity and financial resources

The following table sets out the Group's bank and cash balances, balances relating to investment securities (which were considered as cash equivalent items due to its easily-monetized nature), bank loans and borrowings and equity as at 31 March 2014.

	As at 31.3.2014 *HK$ million*	As at 31.3.2013 *HK$ million*
Bank loans, bonds and borrowings[(i)]		
Due within 1 year	**2,848**	3,636
Due 1 – 2 years	**2,717**	1,797
Due 2 – 3 years	**2,881**	1,756
Due more than 3 years	**1,393**	755
	9,839	7,944
Investment securities	**(1,060)**	(290)
Bank and cash balances	**(2,147)**	(3,167)
Net debts[(ii)]	**6,632**	4,487
Carrying amount of the total equity	**9,951**	9,150
Add: hotel revaluation surplus	**10,954**	9,459
Total equity adjusting for hotel revaluation surplus	**20,905**	18,609
Net gearing ratio	**31.7%**	24.1%

Notes:

(i) Based on scheduled repayment date set out in the loan agreement.

(ii) Total bank loans, bonds and borrowings less investment securities, bank and cash balances.

In order to better manage the Group's liquidity position, the Group allocated a portion of its cash position in marketable fixed income securities during the year. Investment securities shown on the consolidated statement of financial position represent primarily fixed income securities.

Adjusting for the unrecognized hotel revaluation surplus, the Group's total consolidated equity as at 31 March 2014 was approximately HK$20,905 million, an increase of 12.3% as compared with that as at 31 March 2013. Compared with the net debt as at 31 March 2014, the net gearing ratio of the Group was 31.7%.

The carrying amounts of the borrowings in the consolidated statement of financial position as at 31 March 2014 include an amount of approximately HK$1,463 million (as at 31 March 2013: HK$1,115 million) which were not repayable within one year. However, where counterparties have discretionary right to demand immediate repayment, such borrowings have been shown as current liabilities.

A number of residential projects are due for completion post financial year end and this has generated and will generate significant cashflow stream to the Group. Together with the available credit facilities, the Group believes that it has sufficient financial capacity to meet all the Group's funding and operational needs of its business.

3. Net asset value per share

	As at 31 March 2014	As at 31 March 2013
	HK$ million	*HK$ million*
Equity attributable to shareholders of the Company	**8,750**	8,013
Add: Hotel revaluation surplus (adjusted for minority shareholders' interests)	**8,114**	6,929
Total net asset value	**16,864**	14,942
No. of shares issued *(million)*	**1,850**	1,769
Net asset value ("NAV") per share	**HK$9.12**	HK$8.45

Adjusting for revaluation surplus on hotel assets as at 31 March 2014 of approximately HK$10,954 million (HK$9,459 million as at 31 March 2013) and minority shareholders' interests, NAV per share for the Company as at 31 March 2014 was approximately HK$9.12.

4. Capital commitments

	For the year	
	2014	2013
	HK$'000	*HK$'000*
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	**153,281**	768,622
Others	**107,679**	12,180
	260,960	780,802
Capital expenditure authorized but not contracted for in respect of:		
Development and refurbishment of hotel properties	**22,750**	27,673
Others	**16,474**	16,474
	39,224	44,147
	300,184	824,949

BUSINESS REVIEW

1. Property Development and Investment

Property development and property investment is one of the Group's three core businesses.

The Group has a diversified portfolio in residential property development in Australia, Shanghai, Guangzhou, Hong Kong, London, Kuala Lumpur and Singapore. To carry out property developments in the various markets, the Group has established strong local teams in each of these markets. The regionalization approach to this business allows the Group to take advantage of the property cycles in the different market. 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 in mass residential market where the Group can benefit from the growing affluence of the middle class.

During the financial year ended 31 March 2014, the Group acquired 4 residential development sites, namely (i) The Fifth site and (ii) The 250 Spencer Street site, both of which are located in central business district of Melbourne adjacent to the Group's Upper West Side development, (iii) the Sha Tau Kok residential site, Hong Kong, which was acquired through a government tender and (iv) a residential development site in Marsh Wall, Canary Wharf, London. The 4 acquisitions, which amounted to approximately HK$1 billion, are expected to add approximately 4,000 apartments to the Group's development pipeline. As at 31 March 2014, the sellable floor areas in the Group's property development pipeline reached approximately 11 million square feet ("sq. ft."), which is sufficient for the Group's development in the coming 6 to 7 years. Post financial year end, the Group acquired 2 additional residential development sites which are located in Tai Wai, Hong Kong and in Manilla Street, Canary Wharf, London. The Group also reached agreement to acquire a development site in Elizabeth Quay in Perth, Australia.

During the financial year ended 31 March 2014, the Group launched presales/soft marketing of 4 new residential development projects with total sellable floor areas of approximately 1 million sq. ft.. These projects are Upper West Side (Stage 4) in Melbourne, View Pavilion in Shanghai, Dorsett Residences Bukit Bintang in Kuala Lumpur and 684 Clearwater Bay Road in Hong Kong.

A subsidiary that owned 684 Clearwater Bay Road project was sold during the financial year and the gain was recognized as gain on disposal of a subsidiary during the financial year. As for Dorsett Residences Bukit Bintang, as only bookings for sale were taken during the soft marketing, no contracted presale was recorded. The Group expects actual presale will be recorded in the coming financial year.

A breakdown of contracted presale value of residential properties under development as at 31 March 2014 is set out below:

Developments	**Location**	**Contracted presale value** *(HK$ million)*
Upper West Side Stage 2	Melbourne	1,248
Upper West Side Stage 3	Melbourne	826
Upper West side Stage 4	Melbourne	1,512
Star Ruby	Hong Kong	518
Sevilla Crest	Hong Kong	206
View Pavilion	Shanghai	393
Total presale value as at 31 March 2014		4,703

Note: Dorsett Waterfront, Malaysia which is a joint venture arrangement is excluded from the table above.

As at 31 March 2014, total cumulative contracted presale value of residential properties underdevelopment amounted to approximately HK$4,703 million. Completion and delivery of the developments are expected to take place in the next 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.

Currently the Group has a total of 22 active residential development projects with approximately 6.4 million sq. ft. in sellable floor areas under various stages of development across the regions.

Five new projects are earmarked for presale for the financial year ending 31 March 2015. These are (i) Eivissa Crest in Hong Kong, (ii) The Fifth in Melbourne, (iii) Royal Riverside in Guangzhou, (iv) California Garden Phase 16 in Shanghai and (v) the residential development in the Elizabeth Quay Site in Perth. Total sellable areas of these 5 projects are expected to be approximately 2 million sq. ft.. Together with the inventory in the launched projects, total value of sellable units amounted to approximately HK$17 billion.

Australia

Upper West Side project is a high rise residential development, located at central business district in Melbourne phased in 4 stages. Stage 1 was completed in financial year ended 31 March 2013. Stage 2 ("Madison at Upper West Side") consisting 584 apartments have been sold and handed over to purchasers starting from March 2014. Stage 3 ("Midtown at Upper West Side") and Stage 4 ("Manhattan at Upper West Side") consisting of 282 apartments and 641 apartments respectively are under construction and are expected to be completed in financial year ending 31 March 2016 and 2017 respectively. As at 31 March 2014, presale value of Stage 3 and Stage 4 were approximately HK$826 million and HK$1,512 million respectively, representing approximately 98% and 71% of the presale value of the developments respectively.

In April 2013, a piece of land (to be developed and named as "The Fifth") with site area of approximately 12,000 sq. ft. adjacent to the current Upper West Side development was added to the residential development portfolio. The Fifth has a total of approximate 400 apartments and the soft launch of the project has commenced.

In June 2013, the Group acquired another piece of land (known as The 250 Spencer Street Site), located next to the Upper West Side development with site area of approximately 1.176 hectare. The 250 Spencer Street Site is currently with a planning permit for residential development with a total sellable area of approximately 2.2 million sq. ft.. The project is expected to consist of approximately 3,000 residential apartments and will be developed in phases.

Post financial year end in June 2014, the Group was selected to be the developer of a prestigious residential and hotel project in Elizabeth Quay, Perth. The mixed use project is expected to consist of 2 towers comprising a 5 star Ritz Carlton hotel and residential and commercial units. Subject to planning permit approval, the residential component of the development is expected to consist of approximately 320,000 sq. ft. sellable floor area.

Consistent with the Group's overall strategic plan to expand its development pipeline and increase its recurring income base, on 23 June 2014, The Group signed a binding memorandum of understanding ("MOU") with Chow Tai Fook Enterprises Limited ("CTF") and Echo Entertainment Group Limited ("Echo") to create a consortium to bid for the development of an entertainment precinct and integrated resort at the Queen's Wharf Brisbane site. Under the MOU, the consortium will develop and jointly submit a proposal for the Queen's Wharf Brisbane project. As part of the agreement, CTF and the Group will each contribute twenty five per cent of the capital to the development of the integrated resort and together, will also undertake the residential and related components of the broader Queen's Wharf Brisbane development. Echo will contribute fifty per cent of the capital to the development of the integrated resort and act as the operator under a long dated gaming operator agreement.

Mainland China

In Shanghai, California Garden is a township development, comprising a diversified portfolio of residences including low rise apartments, high rise apartments and town houses. During the financial year ended 31 March 2014, one of the phases in California Garden, namely The Royal Crest which consists of 288 residential apartments (approximately 270,000 sq. ft. in sellable area) was completed.

Currently, in California Garden, 3 residential developments consisting of approximately 1,000 units including residential apartments and town houses with total sellable area of approximately 1.3 million sq. ft. are under construction. View Pavilion which consists of 306 apartments was launched with the other phases (Phase 16 and The Royal Crest II) to be followed.

View Pavilion is expected to be completed in financial year ending 31 March 2015. As at 31 March 2014, the presale value of View Pavilion was approximately HK$393 million, representing approximately 37% of the development.

Phase 16 consists of 479 apartments and 90 town houses and The Royal Crest II consists of 180 apartments and 42 town houses. Phase 16 and The Royal Crest II are expected to be completed in financial year ending 31 March 2016 and 2017 respectively.

In Guangzhou, Royal Riverside is a 5 residential buildings development with approximately 600 high rise apartments. Total sellable area is approximately 700,000 sq. ft.. The development is expected to be completed in financial year ending 31 March 2016. Presale is expected to commence in financial year ending 31 March 2015.

Hong Kong

The Group has been actively building its development pipeline in Hong Kong. The Group continues to increase its land bank through acquisition of redevelopment sites as well as participating in government tender.

Following the acquisition of a residential redevelopment site in Wong Tai Sin, Kowloon which consists of approximately 70,000 sq. ft. in sellable floor area in November 2012, the Group acquired a residential development site located at Sha Tau Kok, New Territories through a government tender in October 2013 at the price of HK$143 million. This development consists of approximately 100,000 sq. ft. in sellable area with a plan of no less than 240 low rise apartments. Post financial year end in April 2014, the Group acquired another residential development site at Tai Wai through government tender at the price of HK$148 million. Gross floor areas of the Tai Wai development is approximately 47,000 sq. ft.. All of these newly acquired residential development sites are now under various stages of planning and development.

Star Ruby is a residential property development located at Hunghom, Kowloon. This development comprises of 124 high rise apartments with approximately 45,000 sq. ft. in sellable area. As at 31 March 2014, presale value reached approximately HK$518 million, representing approximately 75% of the development. Completion is expected to take place in financial year ending 31 March 2015.

Sevilla Crest is a residential property development located at Sham Shui Po, Kowloon. This residential development consists of approximately 30,000 sq. ft. in sellable floor area. As at 31 March 2014, presale value reached approximately HK$206 million, representing 42% of the development. Completion is expected to take place in financial year ending 31 March 2015.

Evissa Crest located at Hill Road, Hong Kong Island, consists of 106 residential apartments with approximately 36,000 sq. ft. in sellable floor area. The project was launched for presale in May 2014 and completion is expected to take place in financial year ending 31 March 2016.

A planning approval was obtained from Town Planning Board for a residential development located in Fung Lok Wai, Yuen Long in November 2013. This residential development consists of a total floor area of approximately 1.6 million sq. ft.. The Group has 25.33% interests in the development. This development is currently under planning stage.

London, United Kingdom

A residential development site in Marsh Wall, Canary Wharf was acquired in January 2014 at the price of GBP16.7 million. Subject to planning permit approval, the Group intends to build a residential tower with approximately 250,000 sq. ft. in sellable floor area on the site. In June 2014, the Group also entered into an agreement to acquire a site adjacent to the Marsh Wall site at the price of GBP6.5 million. Both sites are currently under planning stage. Leveraging on the momentum of the growth of the development pipeline and the expertise it has developed, the Group will continue to acquire and increase its landbank in London.

Malaysia

Dorsett Bukit Bintang is a residential development adjacent to Dorsett Regency Kuala Lumpur. This development, which consists of 252 high rise apartments with approximately 220,000 sq. ft. in sellable area, was soft launched in October 2013. Completion is expected to take place in financial year ending 31 March 2017.

Investment Properties

The Group's investment properties comprise mainly retail and office buildings located in Shanghai, Hong Kong and Australia. As at 31 March 2014, investment properties were valued at approximately HK$2.7 billion. A fair value gain of approximately HK$234 million was recorded in respect of the Group's investment properties during the financial year ended 31 March 2014. It was mainly attributable to the completion of retail properties located at Dorsett Residences in Singapore and stage 1 of Upper West Side in Melbourne, Australia.

2. Hotel Operations and Management – Dorsett Hospitality International Limited ("Dorsett")

The Group, through its 74.07% owned listed subsidiary, Dorsett, operates its hotel business. The following table shows the operating data of its owned hotels during the financial year.

	For the year ended 31 March	
	2014	2013
Hong Kong		
Occupancy rate	**93.9%**	93.3%
Average room rate *(HK$)*	**942**	997
RevPAR *(HK$)*	**885**	930
Mainland China		
Occupancy rate	**54.3%**	70.2%
Average room rate *(HK$)*	**573**	549
RevPAR *(HK$)*	**311**	385
Malaysia		
Occupancy rate	**68.8%**	68.4%
Average room rate *(HK$)*	**519**	498
RevPAR *(HK$)*	**357**	341
Singapore		
Occupancy rate	**67.2%**	–
Average room rate *(HK$)*	**1,275**	–
RevPAR *(HK$)*	**857**	–
Group Total		
Occupancy rate	**76.7%**	81.5%
Average room rate *(HK$)*	**786**	799
RevPAR *(HK$)*	**603**	651

For the financial year ended 31 March 2014, the average room rate ("ARR") of owned hotels in Hong Kong decreased by 5.5% while the occupancy ("OCC") recorded a marginal increase of 0.6% points. The revenue per available room ("RevPAR") was HK$885, down by 4.8% from the last financial year. Hong Kong is the key market and revenue contributor which was adversely affected mainly by increased supply of room inventories and the renovation of the flagship hotels in Hong Kong, namely the Cosmopolitan Hotel and the Lan Kwai Fong Hotel. Despite these challenges, concerted sales and marketing efforts to expand the distribution channel and the ongoing strategy to adjust its guest profile has enabled the operation in Hong Kong to withstand the pressure and the group is expected to continue to produce solid results.

In Mainland China, ARR increased by 4.4% but the OCC declined by 15.9% points for the financial year ended 31 March 2014, mainly due to the lower OCC of the newly opened Dorsett Grand Chengdu and hence the RevPAR declined by 19.2%. The Group expects that the operation of Dorsett Grand Chengdu will improve in the coming years and contribute positively to the overall performance of the region.

In Malaysia, RevPAR performance continued its momentum of steady growth by 4.7% to HK$357 largely attributable to the strong performance of Dorsett Grand Labuan and Dorsett Grand Subang. The OCC performance improved by 0.4% points to 68.8% and the ARR improved by 4.2% to HK$519 as compared with last financial year.

Dorsett Singapore was opened in the end of March 2013. RevPar reached HK$857. The OCC and ARR performance were 67.2% and HK$1,275 respectively. The Singapore performance had produced positive contributions to the Group for the year ended 31 March 2014 and the Group expects it will continue its strong contribution in the coming years.

Dorsett continued to expand its hotel portfolio and its network coverage.

In August 2013, Dorsett acquired a hotel property in Jiangxi province, Mainland China at the price of RMB176 million. The hotel property is located within the vicinity of the famous Lushan National Park in Jiujiang city, which is one of the most famous tourist destinations in Mainland China. The hotel consisting of 297 rooms commenced its operation in June 2014.

In line with Dorsett's "Chinese Wallet" strategy to capture the market share for the increasing outbound Chinese travelers, in September 2013, Dorsett acquired the "Walkabout" pub and restaurant building, which is located next to the Dorsett Shepherds Bush in London. Dorsett intended to convert the property into hotel rooms which would complement the operation of its Dorsett Shepherds Bush which consists of 317 rooms and commenced its operation in June 2014.

In Hong Kong, Dorsett Tsuen Wan commenced its operation in February 2014. The hotel consists of 547 rooms. As at 31 March 2014, Dorsett operated 18 owned hotels (9 in Hong Kong, 5 in Malaysia, 3 in Mainland China and 1 in Singapore) with approximately 5,400 rooms and had 7 owned hotels in the development pipeline (1 in Hong Kong, 3 in Mainland China, 3 in United Kingdom). When all the pipeline hotels became operational, the Group would operate 25 owned hotels with approximately 7,400 rooms.

As at 31 March 2014, Dorsett managed 2 third party hotels under management contracts in Hong Kong with approximately 237 rooms. In November 2013, Dorsett entered into management contracts to manage 4 hotels with total of approximately 1,000 rooms in Malaysia. The management contracts will provide the platform for further expansion of Dorsett Group's network in South East Asia and provide steady income stream in the future.

3. Car Park Operations and Facility Management

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

The division is involved in managing both third party owned car parks and self owned car parks. For the financial year ended 31 March 2014, revenue generated from this operations reached approximately HK$613 million, representing an increase of 8.1%, as compared with that of last financial year. The car park operations achieved steady growth and are expected to continue to contribute the recurring income of the Group.

As at 31 March 2014, the portfolio consisted 305 car parks with approximately 53,400 car parking bays under management. Of these, 21 were self owned car parks (19 in Australia and 2 in Kuala Lumpur) and comprises approximately 5,700 car parking bays (approximately 3,500 in Australia and 2,200 in Kuala Lumpur). The remaining car park portfolio consists of approximately 47,700 car park bays in Australia and New Zealand, which are under management contracts entered into with third party car park owners. 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 2014, the Group added a net total of 26 car parks under management with an increase of approximately 3,300 car parking bays.

This division is expanding its geographical coverage which will strengthen the Group's recurring income business. During the financial year ended 31 March 2014, the division expanded its operation to include property management services via an acquisition of a Melbourne-based company. Currently the division has 10 property management contracts in Australia (mainly in Brisbane, Melbourne and Adelaide) and 1 contract in Johor Bahru, Malaysia.

PROSPECTS

The macro-economic environment for the property sector remains challenging as a result of the tightening measures in Mainland China, Hong Kong and South East Asia.

However, the Group's regionalisation strategy has resulted in a more balanced business mix and mitigated some risks associated with specific government tightening policies. The Group was also able to time its acquisition to take advantage of property cycles in different regions.

The Group has built a solid foundation in the past few years with clear medium term growth visibility. With the presales that the Group has locked in, and our pipeline projects, performance from property development is expected to be strong in the coming years.

The newly added hotels and the pipeline hotels will add to the recurring income business stream. The car park and facility management division will also continue to grow as the division expands its operations and its geographical coverage.

The Group will continue to take active steps to strengthen its residential property development pipeline and hotel portfolio and will also seek suitable expansion opportunities, such as the recently announced joint bid for the Queen's Wharf Brisbane development project in Australia. With a strong pipeline, the Group is well-positioned to continue to deliver long term shareholder value through dividend distribution and net asset value creation as demonstrated consistently in the past years.

EMPLOYEES AND REMUNERATION POLICIES

The number of employees of the Group as at 31 March 2014 was approximately 3,100. The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits and both internal and external trainings appropriate to each individual's requirements.

CORPORATE GOVERNANCE

Throughout the year ended 31 March 2014, the Company has complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange, except for the deviations from Code Provisions A.2.1 and E.1.2 described below.

Pursuant to Code Provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer 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.

Pursuant to Code Provision E.1.2 of the CG Code, the chairman of a listed issuer should attend the issuer's annual general meeting. Tan Sri Dato' David CHIU, the Chairman and Chief Executive Officer of the Company, was unable to attend the annual general meeting held on 29 August 2013 due to his unavoidable business engagement. In view of his absence, Tan Sri Dato' David CHIU had arranged for other directors and management, who are well-versed in the Company's business and affairs, to attend the meeting and communicate with shareholders.

AUDIT COMMITTEE

The Audit Committee, comprising all of the Company's three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Peter Man Kong WONG and Mr. Kwong Siu LAM, has reviewed the audited consolidated results of the Group for the year ended 31 March 2014.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year then ended 31 March 2014 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2014, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF THE RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.fecil.com.hk. The Annual Report of the Company for the year ended 31 March 2014 and the notice of 2014 AGM will be despatched to the Shareholders and will also be available for viewing at each of the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 26 June 2014

As at the date of this announcement, the Board comprises five executive directors, namely Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Chi Hing CHAN, Mr. Dennis CHIU and Mr. Craig Grenfell WILLIAMS; one non-executive director, Mr. Daniel Tat Jung CHIU; and three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Peter Man Kong WONG and Mr. Kwong Siu LAM.