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Heng Fai Enterprises Limited
恒輝企業控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2014

RESULTS

The Board of Directors (the "Board") of Heng Fai Enterprises Limited (the "Company") hereby announce the consolidated results of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2014 together with the comparative figures of the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Turnover – gross proceeds	*3*	**205,762**	105,130
Revenue	*4*	**35,592**	56,634
Cost of sales		**(1,745)**	(5,957)
Gross profit		**33,847**	50,677
Other operating income	*3*	**1,655**	4,658
Fair value (loss) gain on financial assets at fair value through profit or loss		**(10,334)**	10,727
Fair value gain on revaluation of investment properties, net		**4,590**	37,393
Loss on disposal of investment properties		**–**	(4,325)
Impairment loss recognised in respect of goodwill		**(14,954)**	–
Administrative expenses		**(86,784)**	(139,254)
Gain on disposal of subsidiaries		**34,630**	–
Gain on deemed disposal of subsidiaries		**–**	44,962
Gain on disposal of an associate		**–**	27,670

	Notes	**2014**	2013
		HK$'000	*HK$'000*
(Loss) profit from operations		**(37,350)**	32,508
Finance costs		**(4,651)**	(22,576)
Share of results of an associate		**(222)**	(154)
(Loss) profit before income tax		**(42,223)**	9,778
Income tax credits	*5*	**113**	20,226
(Loss) profit for the year	*6*	**(42,110)**	30,004
(Loss) profit for the year attributable to:			
Owners of the Company		**(43,503)**	33,375
Non-controlling interests		**1,393**	(3,371)
		(42,110)	30,004
(Loss) earnings per share	*7*		
Basic		**(1.21 cents)**	0.99 cents
Diluted		**N/A**	0.96 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	HK$'000	*HK$'000*
(Loss) profit for the year	**(42,110)**	30,004
Other comprehensive expenses		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	**(15,963)**	(4,408)
Release of translation reserve on disposal of subsidiaries	**(31,461)**	–
Release of translation reserve on deemed disposal of subsidiaries	**–**	(8,630)
Other comprehensive expense for the year	**(47,424)**	(13,038)
Total comprehensive (expense) income for the year	**(89,534)**	16,966
Total comprehensive (expense) income attributable to:		
Owners of the Company	**(89,168)**	22,172
Non-controlling interests	**(366)**	(5,206)
	(89,534)	16,966

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2014

	Notes	2014 HK$'000	2013 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**14,903**	14,786
Prepaid lease payments		**20,999**	21,476
Investment properties		**711,914**	626,413
Interest in an associate		**3,120**	2,873
Available-for-sale financial assets		**3,334**	2,089
Goodwill		**–**	10,544
Pledged bank deposits		**4,738**	6,714
		759,008	684,895
Current assets			
Inventories		**215**	181
Properties under development for sale		**–**	–
Trade and other receivables, deposits and prepayments	*9*	**49,425**	77,496
Loan receivables		**612**	612
Financial assets at fair value through profit or loss		**126,350**	59,055
Pledged bank deposits		**49,535**	–
Bank balances and cash		**102,732**	353,385
		328,869	490,729
Assets held for sale		**6,450**	–
		335,319	490,729
Current liabilities			
Trade and other payables and accruals	*10*	**8,887**	8,906
Bank overdraft		**–**	342
Borrowings – current portion		**101,716**	89,528
Obligations under a finance lease – current portion		**103**	–
Tax payables		**481**	1,961
Amount due to a director	*11*	**61,165**	7,520
Non-convertible bonds		**–**	105,633
		172,352	213,890
Net current assets		**162,967**	276,839
Total assets less current liabilities		**921,975**	961,734

		Group	
		2014	2013
	Notes	***HK$'000***	*HK$'000*
Non-current liabilities			
Borrowings – non-current portion		**99,590**	61,986
Obligations under a finance lease – non-current portion		**345**	–
Deferred taxation		**270**	–
		100,205	61,986
Net assets		**821,770**	899,748
CAPITAL AND RESERVES			
Share capital	*12*	**970,951**	35,281
Reserves		**(144,153)**	869,115
Equity attributable to owners of the Company		**826,798**	904,396
Non-controlling interests		**(5,028)**	(4,648)
Total equity		**821,770**	899,748

Notes:

1. FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The consolidated financial statements up to 31 March 2013 had been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Pursuant to the Company's announcement dated 14 April 2014, as the board of directors of the Company proposed secondary listing of the Company's shares on the AIM of London Stock Exchange ("LSE") to i) raise additional capital for the Company to grow its Real Estate Investment Trusts ("REITs") portfolio; and ii) strengthen its financial position for future expansion and raise its investor profile principally in the United States which offer higher-than-average yields, the directors of the Company (the "Directors") decided to adopt HKFRSs and IFRSs issued by the International Accounting Standards Board ("IASB") at the same time to prepare its consolidated financial statements for its accounting year beginning on 1 April 2013. The consolidated financial statements have been prepared in accordance with IFRSs/HKFRSs with effect from this reporting period and the comparative consolidated financial statements for the year ended 31 March 2013 have been converted in accordance with IFRSs/HKFRSs.

The Directors believe that adoption of internationally recognised accounting standards will allow its consolidated financial statements to be better understood by its shareholders, the capital markets and the other users globally. The Directors have considered and concluded that no adjustments were required to the amounts reported under HKFRSs for the year ended 31 March 2013 and at the date of IFRSs adoption.

The Group has adopted all the new and revised IFRSs issued by IASB that are relevant to its operations and effective for accounting year beginning on 1 April 2013. IFRSs comprises International Financial Reporting Standards ("IFRS"); International Accounting Standards and Interpretations.

2. APPLICATION OF NEW AND REVISED IFRSs AND HKFRSs

The Group has applied the following new and revised International Accounting Standards ("IASs")/ Hong Kong Accounting Standards ("HKASs"), IFRSs/HKFRSs and amendments (hereinafter collectively referred to as the "new and revised IFRSs/HKFRSs") issued by IASB/HKICPA and International Financial Reporting Interpretations Committee ("IFRIC")/Hong Kong Financial Reporting Interpretations Committee ("HK(FRIC)") of IASB/HKICPA for the first time in the current year.

Amendments to IFRSs/HKFRSs	Annual Improvements 2009-2011 Cycle
Amendments to IFRS/HKFRS 1	Government Loans
Amendments to IFRS/HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS/HKFRS 10, IFRS/HKFRS 11 and IFRS/HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS/HKFRS 10	Consolidated Financial Statements
IFRS/HKFRS 11	Joint Arrangements
IFRS/HKFRS 12	Disclosure of Interests in Other Entities
IFRS/HKFRS 13	Fair Value Measurement
Amendments to IAS/HKAS 1	Presentation of Items of Other Comprehensive Income
IAS/HKAS 19 (Revised in 2011)	Employee Benefits
IAS/HKAS 27 (Revised in 2011)	Separate Financial Statements
IAS/HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures
IFRIC/HK(IFRIC) – Interpretation ("Int") 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the amendments to IFRSs/HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

IFRS/HKFRS 13 Fair Value Measurement

The Group has applied IFRS/HKFRS 13 for the first time in the current year. IFRS/HKFRS 13 establishes a single source of guidance for, and disclosure about, fair value measurements. The scope of IFRS/HKFRS 13 is broad: the fair value measurement requirements of IFRS/HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs/HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS/HKFRS 2 **Share-based Payment**, leasing transactions that are within the scope of IAS/HKAS 17 **Leases**, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS/HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS/HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS/HKFRS 13 includes extensive disclosure requirements.

IFRS/HKFRS 13 requires prospective application. In accordance with the transitional provisions of IFRS/HKFRS 13, the Group has not made any new disclosure required by IFRS/HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of IFRS/HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to IAS/HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to IAS/HKAS 1 Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to IAS/HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "income statement" is renamed as the "statement of profit or loss". The amendments to IAS/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. Furthermore, the amendments to IAS/HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are 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 have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS/HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising IFRS/HKFRS 10 *Consolidated Financial Statements*, IFRS/HKFRS 11 *Joint Arrangements*, IFRS/HKFRS 12 *Disclosure of Interests in Other Entities*, IAS/HKAS 27 (as revised in 2011) *Separate Financial Statements* and IAS/HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to IFRS/HKFRS 10, IFRS/HKFRS 11 and IFRS/HKFRS 12 regarding transitional guidance. IAS/HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

New and revised IFRSs/HKFRSs in issued but not yet effective

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

Amendments to IFRSs/HKFRSs	Annual Improvements to IFRSs/HKFRSs 2010-2012 Cycle[2]
Amendments to IFRSs/HKFRSs	Annual Improvements to IFRSs/HKFRSs 2011-2013 Cycle[2]
IFRS/HKFRS 9	Financial Instruments[3]
IFRS/HKFRS 14	Regulatory Deferral Accounts[4]
Amendments to IFRS/HKFRS 9 and IFRS/HKFRS 7	Mandatory Effective Date of IFRS/HKFRS 9 and Transition Disclosures[3]
Amendments to IFRS/HKFRS 10, IFRS/HKFRS 12 and IAS/HKAS 27	Investment Entities[1]
Amendments to IAS/HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to IAS/HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IAS/HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to IAS/HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
IFRIC/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, with earlier application permitted.

3 Available for application – the mandatory effective date will be determined when the outstanding phases of IFRS/HKFRS 9 are finalised.

4 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

Annual Improvements to IFRSs/HKFRSs 2010-2012 Cycle

The *Annual Improvements to IFRSs/HKFRSs 2010-2012 Cycle* include a number of amendments to various IFRSs/HKFRSs, which are summarised below.

The amendments to IFRS/HKFRS 2 (i) change the definitions of "vesting condition" and "market condition"; and (ii) add definitions for "performance condition" and "service condition" which were previously included within the definition of "vesting condition". The amendments to IFRS/HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IFRS/HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS/HKFRS 9 or IAS/HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to IFRS/HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IFRS/HKFRS 8 (i) require an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics"; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS/HKFRS 13 clarify that the issue of IFRS/HKFRS 13 and consequential amendments to IAS/HKAS 39 and IFRS/HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to IAS/HKAS 16 and IAS/HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS/HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors do not anticipate that the application of the amendments included in the *Annual Improvements to IFRSs/HKFRSs 2010-2012 Cycle* will have a material effect on the Group's consolidated financial statements.

Annual Improvements to IFRSs/HKFRSs 2011-2013 Cycle

The Annual Improvements to *IFRSs/HKFRSs 2011-2013 Cycle* include a number of amendments to various IFRSs/HKFRSs, which are summarised below.

The amendments to IFRS/HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS/HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS/HKAS 39 or IFRS/HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS/HKAS 32.

The amendments to IAS/HKAS 40 clarify that IAS/HKAS 40 and IFRS/HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of IAS/HKAS 40; and

(b) the transaction meets the definition of a business combination under IFRS/HKFRS 3.

The Directors do not anticipate that the application of the amendments included in the Annual Improvements to *IFRSs/HKFRSs 2011-2013 Cycle* will have a material effect on the Group's consolidated financial statements.

IFRS/HKFRS 9 Financial Instruments

IFRS/HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS/HKFRS 9 are subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of IFRS/HKFRS 9 are described as follows:

– All recognised financial assets that are within the scope of IAS/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 reporting periods. In addition, under IFRS/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, IFRS/HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS/HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

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 anticipate that the adoption of IFRS/HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's and the Company's financial assets and financial liabilities. Regarding the Group's and the Company's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to IFRS/HKFRS 10, IFRS/HKFRS 12 and IAS/HKAS 27 Investment Entities

The amendments to IFRS/HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS/HKFRS 12 and IAS/HKAS 27 to introduce new disclosure requirements for investment entities.

The Directors do not anticipate that the investment entities amendments will have any effect on the Group's consolidated financial statements as the Company is not an investment entity.

Amendments to IAS/HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS/HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The Directors do not anticipate that the application of these amendments to IAS/HKAS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

Amendments to IAS/HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to IAS/HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The Directors do not anticipate that the application of these amendments to IAS/HKAS 36 will have a significant impact on the Group's consolidated financial statements.

3. TURNOVER AND OTHER OPERATING INCOME

An analysis of the Group's turnover for the year is as follows:

	2014	2013
	HK$'000	*HK$'000*
Financial interest and service income	**45**	108
Dividend income	**5,987**	414
Other interest income	**393**	784
Rental income	**18,968**	21,770
Income from hotel operations	**7,090**	27,034
Gross proceeds from disposal of financial assets at fair value through profit or loss	**173,279**	55,020
	205,762	105,130

Other operating income

	2014	2013
	HK$'000	*HK$'000*
Other income	**1,571**	1,847
Exchange gain, net	**–**	2,512
Bad debt recovery on trade receivables	**84**	189
Management fee received from an associate	**–**	110
	1,655	4,658

4. SEGMENT INFORMATION

Information reported to the board of directors of the Company (the "Board"), being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Each of the Group's reportable and operating segments represents a strategic business unit that offer products and services which are subject to risks and returns that are different from those of the other segments. This is also the basis upon which the Group is organised and managed. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under IFRS/HKFRS 8 are as follows:

Financing operations	–	provide financing to individuals and acquiring services for members
Securities trading and investment	–	trading of securities
Treasury investment	–	asset management and cash operations
Property investment and trading	–	letting properties and trading of properties
Hotel operations	–	hotel operations in Japan
Property development	–	development of properties

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

Segment revenue and results

For the year ended 31 March 2014

	Financing operations	Securities trading and investment	Treasury investment	Property investment and trading	Hotel operations	Property development	Elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover – gross proceeds	**45**	**320,200**	**10,069**	**18,968**	**7,090**	**–**	**(150,610)**	**205,762**
Revenue								
– External sales	45	9,096	393	18,968	7,090	–	–	35,592
– Inter-segment sales	-	140,934	9,676	–	–	–	(150,610)	–
Total	45	150,030	10,069	18,968	7,090	–	(150,610)	35,592
Segment results	(1,441)	(12,207)	9,888	17,784	(5,352)	(392)	–	8,280
Unallocated corporate revenue								1,341
Unallocated corporate expenses								(84,492)
Unallocated finance costs								(1,760)
Gain on disposal of subsidiaries								34,630
Share of results of an associate								(222)
Loss before income tax								(42,223)
Income tax credits								113
Loss for the year								(42,110)
Segment assets	144	129,068	8,734	721,102	9,320	–	–	868,368
Interest in an associate								3,120
Unallocated assets								222,839
Total assets								1,094,327
Segment liabilities	-	-	-	(139,293)	(608)	–	–	(139,901)
Unallocated liabilities								(132,656)
Total liabilities								(272,557)

For the year ended 31 March 2013

	Financing operations HK$'000	Securities trading and investment HK$'000	Treasury investment HK$'000	Property investment and trading HK$'000	Hotel operations HK$'000	Property development HK$'000	Elimination HK$'000	Total HK$'000
Turnover – gross proceeds	108	55,434	12,126	21,770	27,034	–	(11,342)	105,130
Revenue								
– External sales	108	6,938	784	21,770	27,034	–	–	56,634
– Inter-segment sales	–	–	11,342	–	–	–	(11,342)	–
Total	108	6,938	12,126	21,770	27,034	–	(11,342)	56,634
Segment results	(1,099)	16,045	515	46,357	(14,247)	(236)	–	47,335
Unallocated corporate revenue								9,135
Unallocated corporate expenses								(100,799)
Unallocated finance costs								(18,371)
Gain on deemed disposal of subsidiaries								44,962
Gain on disposal of associates								27,670
Share of results of an associate								(154)
Profit before income tax								9,778
Income tax credits								20,226
Profit for the year								30,004
Segment assets	160	60,522	8,880	628,177	10,220	–	–	707,959
Interest in an associate								2,873
Unallocated assets								464,792
Total assets								1,175,624
Segment liabilities	–	–	–	(152,148)	(645)	–	–	(152,793)
Unallocated liabilities								(123,083)
Total liabilities								(275,876)

Other segment information

For the year ended 31 March 2014

	Financing operations *HK$'000*	Securities trading and investment *HK$'000*	Treasury investment *HK$'000*	Property investment and trading *HK$'000*	Hotel operations *HK$'000*	Property development *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:								
Capital expenditure	–	–	–	(101,089)	(96)	–	–	(101,185)
Depreciation	–	–	(181)	(786)	(153)	–	–	(1,120)
Amortisation of prepaid lease payments	–	–	–	(477)	–	–	–	(477)
Fair value loss on financial assets at fair value through profit or loss	–	(10,334)	–	–	–	–	–	(10,334)
Fair value gain on revaluation of investment properties, net	–	–	–	4,590	–	–	–	4,590
Gain on disposal of financial assets at fair value through profit or loss	–	3,109	–	–	–	–	–	3,109
Written-off the property, plant and equipment	–	–	–	(30)	–	–	–	(30)
Bad debts written-off in respect of trade receivables	–	–	–	(25)	–	–	–	(25)
Reversal of impairment loss recognised in respect of loan receivables	1	–	–	–	–	–	–	1
Impairment loss recognised in respect of goodwill	–	–	–	–	(10,544)	–	–	(10,544)
Bad debt recovery on trade receivables	84	–	–	–	–	–	–	84
Amounts regularly provided to the chief operating decision making but not included in the measure of segment profit or loss or segment assets:								
Capital expenditure	–	–	–	–	–	–	(34)	(34)
Depreciation	–	–	–	–	–	–	(141)	(141)
Bad debts written-off in respect of other receivables	–	–	–	–	–	–	(1,484)	(1,484)
Impairment loss recognised in respect of goodwill	–	–	–	–	–	–	(4,410)	(4,410)

For the year ended 31 March 2013

	Financing operations *HK$'000*	Securities trading and investment *HK$'000*	Treasury investment *HK$'000*	Property investment and trading *HK$'000*	Hotel operations *HK$'000*	Property development *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:								
Capital expenditure	–	–	–	(15,253)	(258)	–	–	(15,511)
Depreciation	–	–	(227)	(626)	(1,316)	–	–	(2,169)
Amortisation of prepaid lease payments	–	–	–	(477)	–	–	–	(477)
Fair value gain on financial assets at fair value through profit or loss	–	10,727	–	–	–	–	–	10,727
Fair value gain on revaluation of investment properties, net	–	–	–	37,393	–	–	–	37,393
Gain on disposal of financial assets at fair value through profit or loss	–	6,524	–	–	–	–	–	6,524
Loss on disposal of property, plant and equipment	–	–	–	(33)	(5,413)	–	–	(5,446)
Loss on disposal of investment properties	–	–	–	(4,325)	–	–	–	(4,325)
Written-off the property, plant and equipment	–	–	–	(1,986)	–	–	–	(1,986)
Bad debts written-off in respect of trade receivables	–	–	–	(31)	–	–	–	(31)
Bad debt recovery on trade receivables	189	–	–	–	–	–	–	189
Impairment loss recognised in respect of								
– trade receivables	(33)	–	–	–	–	–	–	(33)
– other receivables	–	–	–	–	(131)	–	–	(131)
– loan receivables	(5)	–	–	–	–	–	–	(5)
Amounts regularly provided to the chief operating decision making but not included in the measure of segment profit or loss or segment assets:								
Capital expenditure	–	–	–	–	–	–	(28,172)	(28,172)
Depreciation	–	–	–	–	–	–	(517)	(517)
Impairment loss recognised in respect of other receivables	–	–	–	–	–	–	(426)	(426)

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets are allocated to operating segments other than unallocated assets (mainly comprising certain property, plant and equipment, certain available-for-sale financial assets, certain other receivables, bank balances and cash, certain pledged bank deposits and prepaid lease payments); and

– all liabilities are allocated to operating segments other than unallocated liabilities (mainly comprising non-convertible bonds, certain other payables and accruals, tax payables, amount due to a director, bank overdraft and certain borrowings).

The accounting policies of the operating segments are the same as the Group's accounting policies described in the consolidated financial statements. Segment results represent the (loss by) profit from each segment without allocation of certain items, mainly comprising other operating income, gain on deemed disposal of subsidiaries, gain on disposal of associates, gain on disposal of subsidiaries, share of results of associates, depreciation, certain administrative expenses, directors' and chief executives' salaries and certain finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at arm's length negotiation.

Geographical information

The Group's operations are located in four (2013: four) main geographical areas. Information about the Group's revenue from external customers is presented based on the geographical market of the customers, irrespective of the origin of the goods and services.

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**10,871**	12,751
North America	**1,901**	3,617
Singapore	**12,668**	13,232
Japan	**10,152**	27,034
	35,592	56,634

Information about the Group's non-current assets, excluded the financial instruments, is presented based on the geographical location of the assets.

Segment assets

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**108,948**	105,332
North America	**59,573**	10,075
Singapore	**533,738**	490,444
Japan	**48,677**	70,241
	750,936	676,092

Information about major customers

For the years ended 31 March 2014 and 31 March 2013, no individual customer of the Group contributed over 10% of the total revenue of the Group.

5. INCOME TAX CREDITS

	2014	2013
	HK$'000	*HK$'000*
Current tax		
– Hong Kong	**–**	–
– Overseas	**297**	233
Over-provision in prior years	**(680)**	(20,182)
Deferred tax	**270**	(277)
	(113)	(20,226)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

During the years ended 31 March 2014 and 31 March 2013, no tax is payable on the profit for the year arising in Hong Kong since the assessable profit is wholly absorbed by tax loss brought forward.

According to the relevant Singapore tax regulations, certain Singapore subsidiaries of the Group enjoy the partial tax exemption and corporate income tax rebate during the years ended 31 March 2014 and 31 March 2013.

Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

6. (LOSS) PROFIT FOR THE YEAR

	2014	2013
	HK$'000	*HK$'000*
(Loss) profit for the year is arrived at after charging (crediting):		
Operating lease charges on land and buildings	**904**	850
Depreciation of property, plant and equipment	**1,261**	2,686
Amortisation of prepaid lease payments	**477**	477
(Reversal of) impairment loss recognised in respect of		
– trade receivables	**–**	33
– other receivables	**–**	557
– loan receivables	**(1)**	5
Bad debts written-off in respect of		
– trade receivables	**25**	31
– other receivables	**1,484**	–
Loss on disposal of property, plant and equipment	**–**	5,446
Written-off the property, plant and equipment	**30**	1,986
Exchange loss, net	**3,945**	–
Auditor's remuneration	**805**	805
Staff costs including directors' emoluments	**53,626**	91,115
Rental income from investment properties less outgoings of HK$8,718,000 (2013: HK$9,928,000)	**(10,250)**	(11,842)
Cost of inventories recognised as an expense	**1,745**	5,957

7. (LOSS) EARNINGS PER SHARE

The calculation of basic (loss) earnings per share is based on the loss for the year attributable to owners of the Company of approximately HK$43,503,000 (2013: earnings of approximately HK$33,375,000) and on the weighted average number of approximately 3,595,534,000 (2013: 3,379,952,000) ordinary shares in issue during the year.

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

	2014	2013
	HK$'000	*HK$'000*
(Loss) profit for the year attributable to owners of the Company, used in the basic and diluted (loss) earnings per share calculation	**(43,503)**	33,375

Number of shares

	2014	2013
	'000	*'000*
Weighted average number of ordinary shares for the purpose of the basic (loss) earnings per share	**3,595,534**	3,379,952
Effect of dilutive potential ordinary shares:		
Share options *(Note)*	**N/A**	113,939
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**3,595,534**	3,493,891

Note:

Diluted loss per share for the year ended 31 March 2014 were not presented because the exercise of share option during the year were anti-dilutive.

8. DIVIDENDS

No dividend was paid or proposed for the year ended 31 March 2014, nor has any dividend been proposed since the end of the reporting period (2013: Nil).

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**18,040**	18,029
Less: Allowance for doubtful debts	**(10,056)**	(10,056)
Trade receivables, net of allowance for doubtful debts	**7,984**	7,973
Other receivables, deposits and prepayments	**52,848**	81,627
Less: Allowance for doubtful debts	**(11,884)**	(12,581)
Other receivables, deposits and prepayments, net of allowance for doubtful debts *(Note)*	**40,964**	69,046
Prepaid lease payments – current portion	**477**	477
	49,425	77,496

Note: At 31 March 2013, included in other receivables, deposits and prepayments are mainly the money kept in broker's account regarding the sale of SingHaiyi shares amounted to approximately HK$63,463,000 (equivalent to approximately S$10,132,000).

The Directors considered that the fair values of trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity period on their inception.

The Group allows an average credit period to its trade customers are as follows:

Hotel operations	60 days
Financing operations	30 days

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on invoices dates, which approximated the respective dates on which revenue was recognised.

	2014	2013
	HK$'000	*HK$'000*
0–60 days	**414**	256
61–90 days	**38**	57
Over 90 days	**7,532**	7,660
	7,984	7,973

The aging of trade receivables which are past due but not impaired at the end of the reporting period is as follows:

	2014	2013
	HK$'000	*HK$'000*
0–60 days	**38**	57
61–90 days	**–**	–
Over 90 days	**7,532**	7,660
	7,570	7,717

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default. Trade receivables that were past due but not impaired as the Group has hold collaterals over the balances. Based on past experience, management believes that no additional provision for impairment is necessary as there is no significant change in credit quality and the balances are considered to be fully recoverable.

The Group has provided fully for all receivables that are determined as not recoverable.

Movement in the allowance for doubtful debts for trade receivables	**2014**	2013
	HK$'000	*HK$'000*
1 April	**10,056**	10,023
Impairment losses recognised	**–**	33
31 March	**10,056**	10,056

At the end of the reporting period, the Group's trade receivables were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties.

Movement in the allowance for doubtful debts for other receivables	**2014**	2013
	HK$'000	*HK$'000*
1 April	**12,581**	12,382
Bad debts written-off	**(28)**	(187)
Impairment losses recognised	**–**	557
Exchange realignment	**(669)**	(171)
31 March	**11,884**	12,581

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**153**	169
Accrued interests on non-convertible bonds	**–**	1,924
Other payables and accrued expenses	**8,734**	6,813
	8,887	8,906

The credit periods was granted by its suppliers was ranging from 30 to 60 days (2013: 30 to 60 days). The following is an aged analysis of the trade payables presented based on the invoice date at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
0–60 days	**153**	166
61–90 days	**–**	–
Over 90 days	**–**	3
	153	169

The carrying amounts of trade and other payables and accruals approximate to their fair values.

11. AMOUNT DUE TO A DIRECTOR

The amount due to a director, Mr. Chan Heng Fai, is non-trading in nature, unsecured, interest-free and repayable on demand.

12. SHARE CAPITAL

Company

	Par value per share *HK$*	Number of ordinary shares	Amount *HK$'000*
Authorised:			
At 31 March 2013	**0.01**	**1,000,000,000,000**	**10,000,000**
At 31 March 2014 *(Note)*	**N/A**	**N/A**	**N/A**
Issued and fully paid:			
At 1 April 2012	0.01	3,096,961,456	30,970
Exercise of share options	0.01	431,122,416	4,311
At 31 March 2013	0.01	3,528,083,872	35,281
Exercise of share options	0.01	74,573,300	746
Transfer upon abolition of par value under new Hong Kong Companies Ordinance effective on 3 March 2014	–	–	934,924
At 31 March 2014	**N/A**	**3,602,657,172**	**970,951**

Note:

The Company has no authorised share capital and its share have no par value from the commencement date of the New Companies Ordinance (i.e. 3 March 2014).

13. **COMPARATIVE FIGURES**

In order to conform with the current year presentation, the gain on disposal of financial assets at fair value through profit or loss in the consolidated statement of profit or loss for the year ended 31 March 2013 has been reclassified. Reclassification adjustment is made to reclassify gain on disposal of financial assets at fair value through profit or loss amounting to approximately HK$6,524,000 to revenue and a separate line for turnover to show the gross proceeds of the disposal. Such reclassification/presentation has no impact on the Group's profit for the year ended 31 March 2013.

Details of the reclassification are provided as follows:

	Amount original stated	**Reclassification**	**Amount as restated**
	HK$'000	*HK$'000*	*HK$'000*
Items on consolidated statement of profit or loss for the year ended 31 March 2013			
Turnover – gross proceeds	–	105,130	105,130
Revenue	50,110	6,524	56,634
Gain on disposal of financial assets at fair value through profit or loss	6,524	(6,524)	–

DIVIDEND

The Board does not recommend the payment of a dividend in respect of the year ended 31 March 2014 (2013: Nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders who are entitled 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 qualify for attending and voting at the 2014 AGM, unregistered holders of shares of the Company should ensure that all transfers of Shares accompanied by the relevant Share certificates and appropriate transfer forms must be lodged with the office of the Company's Share Registrar, Tricor Friendly 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded a turnover of approximately HK$35.6 million for the year ended 31 March 2014 ("FY2014"), representing a decrease of approximately 37.2% as compared to the preceding year ("FY2013"). The decrease was mainly attributable to the disposal of Hotel Plaza Miyazaki in Japan. The loss attributable to owners of the Company for FY2014 was approximately HK$43.5 million compared to profit of HK$33.4 million in FY2013.

The basic loss per share for the year was HK1.21 cents as compared to the basic earnings per share of HK0.99 cents in the previous year.

(a) *Property development*

In FY2013, the Group disposed its entire equity interest in a former subsidiary – Singapore Exchange Catalist-listed SingHaiyi Group Ltd ("SingHaiyi") – which accounted for the bulk of its property development revenue. Following the disposal, the Group has continued to identify new development projects and attractive investment opportunities. It is also evaluating the feasibility of redeveloping certain older properties within its investment portfolio so as to facilitate long-term growth.

(b) *Hotels operations Division*

The FY2014 turnover of the hotel operation division was approximately HK$7.1 million, representing a decrease of 73.8% from last year. The segment loss of approximately HK$5.4 million represents a 62.4% decrease compared to the preceding year mainly due to the disposal of Hotel Plaza Miyazaki and related closure costs.

(c) *Securities Trading*

During FY2013, the Group's securities business recorded an operating loss of approximately HK$12.2 million compared to a profit of HK$16.0 million in FY2013.

(d) *Property Investments and Trading*

The property investments and trading division contributed revenues of approximately HK$19.0 million (FY2013: HK$21.8 million) and operating profit of approximately HK$17.8 million (FY2013: HK$46.4 million) to the Group, including a fair value gain on revaluation of investment properties of approximately HK$4.6 million compared to approximately HK$37.4 million in 2013.

(e) Other Investments

As at 31 March 2014, the Group held approximately 25.2% of the issued share capital in RSI International Systems Inc. ("RSI"), a company listed on the TSX Venture Exchange of Canada. During the year, the Group shared RSI's loss of approximately HK$0.2 million.

Liquidity and Capital Resources

As at 31 March 2014, the total equity of the Group was approximately HK$821.8 million (31 March 2013: HK$899.7 million) and the Group had bank balances, cash and pledged bank deposits amounting to approximately HK$157.0 million (31 March 2013: HK$360.1 million) mainly denominated in U.S. dollars, Hong Kong dollars, Singapore dollars and Japanese Yen. The decrease of total borrowings to approximately HK$201.8 million (31 March 2013: HK$257.5 million) was mainly due to the early redemption of non-convertible bonds of the Company during the year. The borrowings were mainly denominated in Hong Kong dollars and Singapore dollars. As at 31 March 2014, the Group recorded a current ratio of 1.9 (31 March 2013: 2.3) and gearing ratio[1] of 4.1% (31 March 2013: net cash position of HK$102.6 million).

Material Acquisitions and Disposals for Material Investments

On 6 December 2013 the Group outlined a three-pronged strategy (the "Corporate and Business Update") involving (i) the seeding and growing of real estate investment trusts ("REITs"), principally in the U.S., with a target annualized yield of 8.0%; (ii) developing a steady stream of recurring income from the Group's direct management of these REITs via an 85%-owned U.S. subsidiary, Inter-American Group Holdings Inc. ("IA"); and (iii) raising capital for both the Company and the REITs through listings on various international exchanges.

In line with this strategy, during the year under review:

(a) The Group acquired an approximately 95%-stake in U.S.-domiciled OnTarget360 Group, Inc., which later merged with American Housing REIT, Inc. ("AHR") for the purpose of facilitating its re-incorporation in Maryland so as to qualify and elect to be taxed as a REIT. Shares of AHR are traded on the Over-The-Counter Bulletin Board in the United States of America. In FY2014, AHR acquired 46 single family homes located in the metropolitan regions of Dallas and Houston, Texas, for an aggregate purchase price of approximately US$6.1 million. On 24 April 2014, AHR distributed its first quarterly dividend with an annualized yield of 8.39% and announced its intention to consolidate its shares on a one-to-150 basis.

[1] Gearing ratio is defined as the ratio of total borrowings less bank balances and cash and pledged bank deposits to total assets.

(b) The Group acquired an approximately 94%-stake in Scoop Media, Inc., which merged with Global Medical REIT, Inc. ("GMR") for the purpose of facilitating the re-incorporation in Maryland to qualify and elect to be taxed as a REIT. Shares of GMR are traded on the Over-The-Counter Bulletin Board in the U.S.. On 14 March 2014, GMR entered into a letter of intent with a vendor pursuant to which the vendor may sell, and GMR may acquire, the medical facility located in Omaha, Nebraska , U.S. ("Medical Facility") for approximately US$21.7 million. On 14 April 2014, GMR and the vendor entered into a sale and purchase agreement for the acquisition of the Medical Facility, the acquisition of which was completed on 5 June 2014.

Capital Commitments

As at 31 March 2014, the Group had made commitments for acquisition of investment properties of HK$20.2 million (31 March 2013: nil).

Events After the Reporting Period

(a) As set out in the Company's announcement dated 27 February 2014, on the same date, Corporate Space Pte Ltd ("CSPL"), a company incorporated in Singapore with limited liability which is an indirect wholly-owned subsidiary of the Company has entered into a definitive sale and purchase agreement with OEL (Holdings) Limited ("OEL"), a company incorporated in Singapore with limited liability, the shares of which are listed on the SGX-ST regarding the disposal of the entire issued and paid-up share capital of each of Singapore Service Residence Pte Ltd ("SSRPL"), a company incorporated in Singapore with limited liability which is a wholly-owned subsidiary of CSPL and Expats Residences Pte Ltd ("ERPL"), a company incorporated in Singapore with limited liability which is a wholly-owned subsidiary of CSPL at an aggregate consideration of SGD53.9 million (approximately HK$328.8 million) (the "SPA"). Details of the transactions have been disclosed in the Company's announcements dated 16 January 2014, 11 February 2014 and 27 February 2014, respectively.

    As set out in the Company's announcement dated 9 May 2014, on the same date, the Company, CSPL and OEL have entered into a mutual termination agreement to terminate the SPA and that neither party has any claim against the others.

(b) As set out in the Company's announcement dated 17 April 2014, on 15 April 2014, Global Medical REIT, Inc. ("GMR"), an approximately 94%-owned subsidiary of the Company, has entered into an agreement with an independent third party (the "Seller") to acquire a licensed medical facility, a long-term acute care hospital in Omaha, the United States, a five-year-old 41,113 square feet hospital building (the "Medical Facility") from the original developer for a consideration of USD21,710,000 (approximately HK$168,470,000) (the "Transaction"). The building has 10 years remaining on its lease with annual rent increases and multiple options to renew on same terms. The hospital operator and tenant is Select Medical Corporation, a New York Stock Exchange-listed company that manages nearly one hundred American hospitals. The 56-bed facility serves patients with prolonged serious medical conditions who require intense and special treatment longer than 25 days. Details of the Transaction have been disclosed in the Company's announcement dated 25 March 2014.

As set out in the Company's announcement dated 6 June 2014, GMR's wholly owned subsidiary, GMR Omaha, LLC, has completed the acquisition and will consolidate revenue and profit with effect from 6 June 2014. GMR targets to distribute its maiden monthly dividend – with an annualised target yield of 8% – in July 2014. An initial deposit of USD200,000 (equivalent to HK$1,551,000) was paid on 17 April 2014.

(c) GMR Omaha, LLC, a newly incorporated wholly owned subsidiary of GMR, entered into a term loan and security agreement on 5 June 2014, with Capital One, National Association, a commercial bank incorporated and located in United States, to borrow USD15,060,000 (equivalent to HK$116,817,000), which bear an interest rate of 4.91% per annum. Loan repayment shall begin on 1 August 2014 and be due and payable on 5 June 2017.

Contingent Liabilities

The Company has provided its proportionate guarantee of S$2.1 million to a bank in connection with banking facilities granted to Corporate Residence Pte Ltd, a company which is 90% owned by SingHaiyi and 10% by the Group.

Foreign Exchange Exposure

The revenues, expenses, assets and liabilities are denominated substantially in Singapore dollars, Hong Kong dollars, U.S. dollars and Japanese Yen. Due to the currency peg of the Hong Kong dollar to the U.S. dollar, the exchange rate between these two currencies has remained stable and thus the Group has not implemented any hedging or other alternatives. Going forward, the Group may formulate a foreign currency hedging policy to provide a reasonable margin of safety for its exposure to Japanese Yen and Singapore dollars through transactions, assets and liabilities.

Human Resources

Remuneration packages are generally structured with reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including mandatory provident fund, medical insurance and performance related bonus. Share options may also be granted to eligible employees of the Group.

At the end of the reporting period, the Group had approximately 55 employees.

Pledge of Assets

As at 31 March 2014, the Group's borrowings of approximately HK$201.3 million were mainly secured by its investment properties, land and buildings, prepaid lease payments, motor vehicle and bank deposits with an aggregate carrying value of approximately HK$667.2 million.

OUTLOOK

The corporate and business update on 6 December 2013 has clearly outlined the strategic roadmap for the company's transition from investment holdings activities to ownership and management of REITs.

Having acquired the first 100 single-family homes in AHR, the Group hopes to seek bank financing on an indicative 50% or greater loan-to-value ratio and to increase its portfolio to 1,000 SFHs worth approximately US$100 million to US$130 million by the end of the next financial year ("FY2015").

Having completed the acquisition of its first medical facility in Omaha, Nebraska, which is immediately revenue-generating, GMR intends to distribute its maiden monthly dividend in July 2014 and expects to achieve the targeted annualized yield of 8.0%. The Group hopes to grow GMR's net asset value to US$400 million by FY2015, targeting situational assets by working with developers looking to exit property exposure, and operators who wish to focus on their business and operations and are willing to dispose of physical assets.

The assets under management for both AHR and GMR were funded through the Group's internal resources. Both REITs are working towards an eventual migration to the NASDAQ main market, which should materialise by the end of FY2015 barring any unforeseen circumstances.

As the REITs expand in size, economies of scale should enhance management fees for IA, thereby enhancing shareholder value. IA is also working to identify and secure significant property development opportunities in the U.S., which will be managed by IA's real estate development arm, Inter-American Development, LLC ("IAD"). IAD, led by a highly experienced team, is identifying projects for sub-division or which it can be a master developer. The Group believes that it will be able to tap on these opportunities to enhance shareholder value based on the stage of the current U.S. property market cycle and management depth it has in place.

The Group has commenced preparations with Allenby Capital Limited, its nominated advisor and broker, for a secondary listing on the AIM market. The Group hopes to tap the U.K. equity market to accelerate its growth plans and REITs strategy, and will make further announcements as and when there are material updates.

Barring unforeseen circumstances, the Group is reasonably confident that with the growth of the REITs and management fees in line with its Corporate and Business Update, its financial performance for FY2015 will be better than that of FY2014.

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

Non-convertible bonds of principal amount of HK$105,633,400 issued by the Company (the "Bonds") were redeemed in whole on 30 April 2013 in accordance with the terms and conditions of the Bonds. In accordance with the terms and conditions of the Bonds, the Company had redeemed the Bonds currently listed on the Stock Exchange of Hong Kong Limited in whole at a redemption price equal to 101% of principal amount of the Bonds plus accrued and unpaid interest, if any, up to the date of redemption. On 30 April 2013, the Company had paid approximately HK$108.9 million to the bondholders to redeem all outstanding Bonds (the "Redemption").

After the Redemption, there are therefore no outstanding Bonds in issue. The Company has applied for the withdrawal of the listing of the Bonds on the Stock Exchange and such withdrawal of listing has become effective upon the close of business on 16 May 2013.

Save as disclosed above, during the year ended 31 March 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company follows the Model Code in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") as the code of conduct for Directors in their dealings in the securities of the Company. Having made specific enquiry with Directors, all Directors confirmed that they fully complied with the Model Code during the year ended 31 March 2014.

AUDIT COMMITTEE

The company has established an audit committee (the "Audit Committee") with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the group. The Audit Committee comprises a total of three independent non-executive Directors. The annual results of the Group for the year ended 31 March 2014 have been reviewed by the Audit Committee, who are of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

SCOPE OF WORK OF ZHONGLEI (HK) CPA COMPANY LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2014 as set out in this preliminary announcement have been agreed by the Group's auditors, ZHONGLEI (HK) CPA Company Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2014. The works performed by ZHONGLEI (HK) CPA Company Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGLEI (HK) CPA Company Limited on this preliminary announcement.

CORPORATE GOVERNANCE

Throughout the year ended 31 March 2014, the Company has complied with all the provisions of the Code on Corporate Governance Practices/Corporate Governance Code (the "Code Provision") from time to time as set out in Appendix 14 to the Listing Rules (except Code Provision A.4.1 and A.6.7 as stated below) and with most of the recommended best practices contained therein.

i. None of the non-executive Directors has been appointed for a specific term, which is a deviation from the requirement under Code A.4.1 of the Code Provision. However, as the Directors are subject to the retirement by rotation provisions under the Articles of Association of the Company, the Board considers that sufficient measures are in place to ensure that the Company's corporate governance practices are no less exacting than the Code Provision.

ii. Pursuant to Code A.6.7 of the Code Provision, independent non-executive Directors and other non-executive Directors should attend the general meetings of the Company. Mr. Fong Kwok Jen, the non-executive Director, was unable to attend the annual general meeting of the Company held on 28 August 2013 as he was not in Hong Kong at that time.

PUBLIC FLOAT

As at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 28 August 2014 and the notice of the Annual General Meeting will be published and despatched in the manner as required by the Listing Rules and the Company's articles of association in due course.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S AND COMPANY'S WEBSITE

The Company's annual report for the year ended 31 March 2014 will be despatched to the shareholders of the Company and available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under "Latest Listed Company Information" and on the website of the Company at http://www.hengfaienterprises.com under "Investor Relations" in due course.

By Order of the Board
Heng Fai Enterprises Limited
Chan Tong Wan
Managing Director

Hong Kong SAR, 27 June 2014

As at the date of this announcement, the executive Directors are Mr. Chan Heng Fai, Mr. Chan Tong Wan, Ms. Chan Yoke Keow; the non-executive Directors are Mr. Fong Kwok Jen and Mr. Teh Wing Kwan and the independent non-executive Directors are Mr. Chan King Fai, Mr. Tan Choon Seng, Mr. Wong Dor Luk, Peter and Mr. Wong Tat Keung.

Any forward-looking statements contained in this announcement are based upon American Housing REIT and Global Medical REIT's current assumptions and expectations concerning future events and financial performance and are made pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such statements are subject to significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. All information provided in this announcement is as of the date of this announcement, and American Housing REIT and Global Medical REIT do not undertake any obligation to update any forward-looking statement, except as required under applicable law.