SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED
華信地產財務有限公司
(Incorporated in Hong Kong with limited liability)
Stock Code: 252
Website: http://www.seapnf.com.hk

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

The board of directors (the "Board") of Southeast Asia Properties & Finance Limited (the "Company") presents the audited consolidated results of the Company and its subsidiaries (hereby collectively referred to as the "Group") for the year ended 31 March 2014 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2014

	Notes	**2014** *HK$*	2013 *HK$*
Turnover	*6*	**430,592,612**	392,889,485
Cost of sales		**(336,101,606)**	(296,227,215)
Gross profit		**94,491,006**	96,662,270
Other revenue and other income	*7*	**19,714,745**	11,289,863
Gain arising on change in fair value of investment properties		**68,625,415**	154,457,587
(Loss) gain arising on change in fair value of financial assets at fair value through profit or loss		**(1,051,510)**	497,503
Impairment loss recognised in respect of property, plant and equipment		**–**	(37,012,183)
Selling and distribution expenses		**(10,220,583)**	(12,946,584)
Administrative expenses		**(61,621,157)**	(58,035,302)
Other operating expenses		**(1,438,291)**	(232,769)

	Notes	**2014** HK$	2013 HK$
Profit from operations	*8*	**108,499,625**	154,680,385
Finance costs	*9*	**(8,072,340)**	(8,165,254)
Share of results of associates		**3,078,110**	2,615,343
Profit before tax		**103,505,395**	149,130,474
Income tax expenses	*10*	**(4,786,919)**	(2,155,058)
Profit for the year		**98,718,476**	146,975,416
Profit attributable to:			
Owners of the Company		**95,930,602**	145,312,570
Non-controlling interests		**2,787,874**	1,662,846
		98,718,476	146,975,416
Earnings per share			
Basic and diluted (HK cents)	*12*	**44.1**	66.8

Details of dividend are set out in note 11 to the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2014

	2014	2013
	HK$	*HK$*
Profit for the year	**98,718,476**	146,975,416
Other comprehensive income		
Available-for-sale financial assets:		
(Loss) gain arising on change in fair value	**(1,388,160)**	5,022,520
Reclassification adjustments relating to available-for-sale financial assets disposed of during the year	**–**	(117,489)
Exchange differences on translation of foreign operations:		
Exchange differences arising during the year	**2,494,023**	454,905
Reclassification adjustments relating to foreign operations disposed of during the year	**–**	(374,800)
Share of exchange reserve of associates	**–**	(628)
Total comprehensive income for the year	**99,824,339**	151,959,924
Total comprehensive income attributable to:		
Owners of the Company	**97,019,585**	150,293,387
Non-controlling interests	**2,804,754**	1,666,537
	99,824,339	151,959,924

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Notes	2014 HK$	2013 HK$
Non-current assets			
Investment properties		**767,557,960**	698,932,545
Property, plant and equipment		**164,493,520**	168,547,740
Leasehold land and land use right		**13,040,817**	13,202,763
Interests in associates		**74,777,899**	72,142,198
Available-for-sale financial assets		**30,780,068**	31,607,766
Intangible assets		**3,702,706**	3,702,706
Other assets		**3,727,845**	3,836,217
		1,058,080,815	991,971,935
Current assets			
Inventories		**104,009,346**	80,863,250
Trade and other receivables	*13*	**255,754,378**	202,146,440
Financial assets at fair value through profit or loss		**7,678,285**	8,729,795
Loan receivable		**19,000,000**	–
Deposits and prepayments		**8,709,303**	5,159,529
Amount due from a related company		**–**	2,891
Tax prepaid		**654,413**	432,917
Time deposits		**4,100,000**	4,100,000
Trust accounts of shares dealing clients		**76,183,226**	72,436,280
Cash and bank balances		**32,796,109**	25,071,820
		508,885,060	398,942,922
Current liabilities			
Amount due to an associate		**721,707**	394,619
Trade and other payables	*14*	**138,942,254**	130,838,382
Amount due to a related company		**–**	23,473
Bank loans and overdrafts		**240,033,945**	153,290,043
Taxation		**3,449,728**	1,656,786
		383,147,634	286,203,303
Net current assets		**125,737,426**	112,739,619
Total assets less current liabilities		**1,183,818,241**	1,104,711,554

	Notes	2014 HK$	2013 HK$
Non-current liabilities			
Bank loans		**145,791,515**	160,417,428
Amounts due to non-controlling interests		**2,935,000**	2,835,000
Deferred tax liabilities		**2,328,903**	1,998,077
		151,055,418	165,250,505
Net assets		**1,032,762,823**	939,461,049
Capital and reserves			
Share capital		**217,418,850**	217,418,850
Reserves		**800,332,137**	709,835,117
Total equity attributable to owners of the Company		**1,017,750,987**	927,253,967
Non-controlling interests		**15,011,836**	12,207,082
Total equity		**1,032,762,823**	939,461,049

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company incorporated in Hong Kong and its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of the Company are located at Units 407– 410, 4th Floor, Tower 2 Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in investment holding, property investment and development, hotel ownership and management, manufacturing and trading of plastics packaging materials, stock broking, futures and finance during the year.

The consolidated financial statements are presented in Hong Kong dollar ("HK$"), which is also the functional currency of the Company.

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

In the current year, the Group has applied, for the first time, the following new and revised standards and interpretations (collectively referred to as the "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 from 1 April 2013. A summary of the new and revised HKFRSs adopted by the Group is set out as follows:

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised)	Employee Benefits
HKAS 27 (Revised)	Separate Financial Statements
HKAS 28 (Revised)	Investments in Associates and Joint Ventures
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle Issued in June 2012
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The Group has early adopted HKAS 36 (Amendments) *Recoverable Amount Disclosures for Non-Financial Assets*, which is effective for annual periods beginning on or after 1 January 2014.

The amendments to 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 adoption of the new and revised HKFRSs in the current year has no material impact on the Group's financial performance and financial position for the current and prior years.

Except for the adoption of HKAS 1 (Amendment), HKFRS 12 and HKFRS 13 which affected the Group's presentation and required additional disclosures, the Group has assessed the impact of the adoption of these new/amended HKFRS and considered that there was no significant impact on the Group's financial performance and financial position.

HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

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

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 HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the standard in comparative information provided for periods before the initial application of the standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 *Presentation of items of Other Comprehensive Income*. The amendments to 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 HKAS 1 does not result in any impact on the consolidated income statement and the consolidated statement of comprehensive income.

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

HKFRS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contributions[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle Issued in January 2014[3]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle Issued in January 2014[2]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[5]
HKFRS 9	Financial Instruments[5]
HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39[5]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[4]
HKFRS 14	Regulatory Deferral Accounts[4]
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 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

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

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

HKFRS 9 Financial Instruments

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

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting 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 the consolidated income statement.

- 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 the consolidated income statement. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to the consolidated income statement. Under HKAS 39, the entire amount of the change in the fair value of the financial liabilities designated as fair value through profit or loss was presented in the consolidated income statement.

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 the 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, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Except as described above, the directors of the Company anticipate that the application of other new and revised HKFRSs issued but not yet effect will have no significant impact on the Group's financial performance and financial position for the future and/or the disclosure set out in the consolidated financial statements of the Group.

3. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the HKICPA and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange. The consolidated financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance which concern the preparation of the consolidated financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), *Accounts and Audit*, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance.

4. BASIS OF PREPARATION

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

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

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

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

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

5. SEGMENT INFORMATION

HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") for the purposes of resources allocation and assessment of segment performance between segments and that are used to make strategic decisions.

The CODM has been identified as the directors of the Company. The CODM review the Group's internal reporting for the purposes of resources allocation and assessment of segment performance and have determined the operating segments based on these reports.

The CODM consider the business from both geographic and product perspective. From geographic and product perspective, the CODM assess as the performance of property investments and development/hotel, manufacturing and distribution of plastics packaging materials and stock broking, futures and finance.

In a manner consistent with the way in which information is reported internally to the CODM for the purposes of resources allocation and assessment of segment performance, the Group is currently organised into the following operating segments:

Property investments and development/hotel	Provision of hotel services and leasing of rental properties in Hong Kong and People's Republic of China (the "PRC")
Manufacturing and distribution of plastics packaging materials	Production and distribution of plastics bags and plastics packaging materials
Stock broking, futures and finance	Securities investment, futures dealing provision of financial investment services and in trading securities

I) Segment revenues and results

	Property investments and development/hotel		Manufacturing and distribution of plastics packaging materials		Stock broking, futures and finance		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Segment revenue	**49,380,273**	46,646,399	**359,816,549**	327,289,737	**21,395,790**	18,953,349	**430,592,612**	392,889,485
Segment results	**26,882,687**	24,210,663	**6,108,421**	10,949,872	**6,883,102**	2,074,446	**39,874,210**	37,234,981
Gain arising on change in fair value of investment properties	**68,625,415**	154,457,587	**–**	–	**–**	–	**68,625,415**	154,457,587
Impairment loss recognised in respect of property, plant and equipment	**–**	(3,241,605)	**–**	(33,350,691)	**–**	(419,887)	**–**	(37,012,183)
Profit (loss) from operations	**95,508,102**	175,426,645	**6,108,421**	(22,400,819)	**6,883,102**	1,654,559	**108,499,625**	154,680,385
Unallocated finance costs							**(8,072,340)**	(8,165,254)
Share of results of associates							**3,078,110**	2,615,343
Profit before tax							**103,505,395**	149,130,474
Unallocated income tax expenses							**(4,786,919)**	(2,155,058)
Profit for the year							**98,718,476**	146,975,416

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year ended 31 March 2014 and 31 March 2013.

Segment results represent the profit/(loss) earned/(suffered) by each segment without allocation of finance costs, share of results of associates and income tax expenses. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance.

II) Geographical segment

The following table sets out information about geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of non-current assets is based on the physical location of the assets.

	Turnover	
	2014	2013
	HK$	*HK$*
Hong Kong	**124,780,829**	114,869,073
North America	**39,589,739**	45,076,590
Oceania	**28,685,747**	29,657,559
Europe	**36,123,951**	28,211,640
PRC	**56,878,130**	66,056,350
Other Asian countries	**144,534,216**	109,018,273
	430,592,612	392,889,485

	Non-current assets	
	2014	2013
	HK$	*HK$*
Hong Kong	**892,520,724**	829,760,731
PRC	**107,438,747**	102,819,753
	999,959,471	932,580,484

Note: Non-current assets excluded amounts due from associates and available-for-sale financial assets.

6. TURNOVER

	2014	2013
	HK$	*HK$*
Sale of goods	**359,816,549**	327,289,737
Rental income	**21,328,155**	20,385,026
Brokerage commission	**19,846,365**	17,561,191
Hotel accommodation income	**28,052,118**	26,261,373
Dividend income from listed equity securities	**1,542,625**	1,392,158
Dividend income from unlisted equity security	**6,800**	–
	430,592,612	392,889,485

7. OTHER REVENUE AND OTHER INCOME

	2014	2013
	HK$	*HK$*
Interest income	**14,123,260**	7,989,766
Other income *(Note)*	**5,303,773**	3,208,024
Gain on disposal of property, plant and equipment	**287,712**	68,934
Reversal of impairment loss recognised in respect of trade receivables	**–**	23,139
	19,714,745	11,289,863

Note: Other income mainly consists of handling fee income generated from stock broking, future and finance and sales of scrap materials.

8. PROFIT FROM OPERATIONS

	2014	2013
	HK$	*HK$*
Profit from operations has been arrived at after charging (crediting):		
Amortisation of leasehold land and land use right	**388,812**	380,445
Auditors' remuneration	**792,969**	867,066
Cost of inventories sold	**273,901,635**	234,329,160
Depreciation of property, plant and equipment	**12,530,524**	13,337,307
Exchange loss (gain) (included in other operating expenses)	**1,151,235**	(99,260)
Fair value loss (gain), net		
– Available-for-sale financial assets (transfer from equity on disposal)	**–**	117,489
– Financial assets at fair value through profit or loss	**1,051,510**	(497,503)
Impairment loss recognised in respect of trade receivables	**1,953,861**	82,975
Impairment loss recognised in respect of property, plant and equipment	**–**	37,012,183
Operating lease rental in respect of premises	**4,064,635**	3,821,432
Staff costs (including directors' remuneration):		
– Salaries, wages and allowances	**51,959,341**	51,597,041
– Staff benefits	**2,400,855**	2,392,621
– Defined contribution plans	**894,591**	831,907
	55,254,787	54,821,569
Rental income from investment properties	**(21,328,155)**	(20,385,026)
Less: Direct operating expenses from investment properties that generated rental income during the year	**51,535**	49,654
	(21,276,620)	(20,335,372)

9. FINANCE COSTS

	2014	2013
	HK$	*HK$*
Interests expenses:		
Bank loans and overdraft wholly repayable:		
– within five years	**2,949,655**	5,148,864
– over five years	**4,147,587**	1,457,096
Amounts due to related companies	**416,193**	597,470
Other borrowings	**4,796**	5,079
Bank charges	**554,109**	956,745
	8,072,340	8,165,254

10. INCOME TAX EXPENSES

	2014	2013
	HK$	*HK$*
Current tax:		
Hong Kong Profits Tax	**4,456,093**	3,678,086
Under provision:		
Hong Kong Profits Tax	**–**	160,903
	4,456,093	3,838,989
Deferred tax:		
Current year	**330,826**	(1,683,931)
Total income tax expenses for the year	**4,786,919**	2,155,058

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profit for the year.

Under the Law of PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2013: 25%).

No provision for PRC Enterprise Income Tax has been made for both years as taxable profits were wholly absorbed by estimated tax losses brought forward.

11. DIVIDENDS

	2014	2013
	HK$	*HK$*
Dividends recognised as distribution during the year:		
2013 final dividend – HK3 cents (2013: 2012 final dividend HK3 cents) per ordinary share	**6,522,565**	6,522,565

Subsequent to the end of the reporting period, a final dividend of HK3 cents in respect of the year ended 31 March 2014 (2013: final dividend of HK3 cents in respect of the year ended 31 March 2013) per share has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on profit attributable to owners of the Company of HK$95,930,602 (2013: HK$145,312,570), divided by the weighted average number of 217,418,850 (2013: 217,418,850) ordinary shares outstanding during the year. There was no dilutive potential ordinary share for both years and hence the basic and diluted earnings per share is the same.

13. TRADE AND OTHER RECEIVABLES

The Group's trade receivables arose from (i) property investments and development/hotel, (ii) manufacturing and distribution of plastics packaging materials, and (iii) stock broking, futures and finance for the year.

	The Group	
	2014	2013
	HK$	*HK$*
Trade receivables from:		
– Clearing house and cash clients	**58,523,303**	30,682,074
– Secured margin clients	**145,363,245**	114,734,749
– Other customers	**41,372,686**	42,374,161
	245,259,234	187,790,984
Less: Allowance for doubtful debts	**(8,265,227)**	(6,311,404)
	236,994,007	181,479,580
Other receivables	**18,760,371**	20,666,860
	255,754,378	202,146,440

Trade receivables from other customers are comprised of sales of goods and rental income.

The Group allows a credit period up to the respective settlement dates for securities transactions (normally two business days after the respective trade date for cash clients). Each secured margin client has a credit limit.

Trade receivables from manufacturing and distribution of plastics packaging materials fall into the general credit term ranged from 0 – 90 days except for a credit period mutually agreed between the Group and the customers.

Room guests are requested to settle all outstanding balances before they check out. Normally, upon check-in, the Group will request room guest's cash deposit or credit card debit authorisation. Other than that, the Group does not obtain any other collateral from room guests.

Other receivables mainly comprised of life insurance plan and receivable from disposal of plant and equipment.

(a) Aging analysis

The following is an aging analysis of trade receivables of the Group arose from clearing house and cash clients and other customers, presented based on the invoice date, which approximates the respective revenue recognition dates and net of allowance for doubtful debts:

	2014	2013
	HK$	*HK$*
0 – 30 days	**76,898,641**	29,194,331
31 – 60 days	**4,941,257**	25,980,373
Over 60 days	**9,790,864**	11,570,127
	91,630,762	66,744,831

Margin loans due from margin clients are repayable on demand. Margin loans are required to be secured by clients' listed securities held by the Group as collateral and bears interest at 8.25% for the year ended 31 March 2014 (2013: 8.25%). The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. At 31 March 2014, the total market value of securities pledged as collateral by the customers in respect of the loans to margin clients was HK$243,328,706 (2013: HK$153,356,936). No aging analysis of secured margin clients is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of business of securities margin financing.

14. TRADE AND OTHER PAYABLES

The Group's trade payables arose from (i) hotel management, (ii) manufacturing and distribution of plastics packaging materials, and (iii) stock broking, futures and finance for the year.

	The Group	
	2014	2013
	HK$	*HK$*
Trade payables to:		
– Clearing house and cash clients	**64,959,037**	79,408,338
– Secured margin clients	**25,141,544**	8,287,890
– Other creditors	**15,831,923**	16,146,128
	105,932,504	103,842,356
Other payables	**33,009,750**	26,996,026
	138,942,254	130,838,382

Trade payables from other creditors are comprised of purchases of materials and supplies.

The following is an aging analysis of the trade payables at the end of the reporting period:

	The Group	
	2014	2013
	HK$	*HK$*
0 – 30 days	**102,945,035**	99,850,857
31 – 60 days	**2,437,348**	3,239,550
Over 60 days	**550,121**	751,949
	105,932,504	103,842,356

Included in trade and other payables of HK$64,959,037 (2013: HK$79,408,338) are amounts payable to clearing house and cash clients which would be due within 30 days.

15. EVENTS AFTER THE REPORTING PERIOD

(a) On 3 June 2014, Nan Sing Plastics Limited, a non-wholly owned subsidiary of the Company (the "Vendor") and entered into a conditional sale and purchase agreement with a third party (the "Purchaser"), pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, an investment property owned by Vendor at the consideration of HK$382,000,000. The fair value of this investment property as at 31 March 2014 was HK$270,000,000 according to the valuation report prepared by an independent surveyor. It is expected that the Group will record a gain of approximately HK$107,180,000.

(b) On 12 June 2014, Nan Sing Realty Company Limited ("formerly name as Nan Sing Plastic International Limited), a non-wholly owned subsidiary of the Company (the "Purchaser") entered into a provisional agreements with a third party (the "Vendor"), pursuant to which the Vendor has agreed to sell, and the Purchaser agreed to acquire, the property owned by the Vendor at total consideration of HK$71,800,000.

COMMENTARY ON ANNUAL RESULTS

Business Review

Property Investment and Development/Hotel

Property investment and development/hotel segment includes property investment and development business and provision of hotel services in Hong Kong and China. Turnover of the business increased 6.0% to HK$49.4 million (2012/2013: HK$46.6 million). Including the gain arising on change in fair value of investment properties, segment's operating profit declined from HK$175.4 million in last year to HK$95.5 million in current year, representing an decrease of 45.6%.

(i) Property Investment and Development

The Group's investment properties, namely, the shops on the Ground Floor of Hotel Benito, the office unit in Silvercord at Tsimshatsui, the residential property at Essex Crescent, Kowloon Tong, the whole block of Nan Sing Industrial Building and the office/warehouse units in Kwai Tak Industrial Centre at Kwai Chung, together with the office units in Chao Shan Building and the residential property in Ming Yue Hua Yuan at Shenzhen, were all leased out and generated steady rental income for the Group during the year. The Group's rental income amounted to HK$21.3 million (2012/2013: HK$20.4 million), representing an increase of 4.4% over last year.

Despite the slowdown of Hong Kong property market after the execution of Special Stamp Duty ("SSD"), Buyer's Stamp Duty ("BSD") and Double Stamp Duty ("DSD") by the government, the low interest rate environment continues to support the property market. During the year, the Group recorded a gain arising on change in fair value of investment properties amounted to HK$68.6 million (2012/2013: HK$154.5 million).

(ii) Hotel

Benefited from the continuous increase of visitor arrivals in 2013, in particular, the significant growth of Mainland China Market, the hotel business continued to achieve steady performance which is in line with the industry average. Despite the keen competition from the increasing accommodation supply, the hotel was able to maintain an average room rate of HK$1,145 (2012/2103: HK$1,144) with an increase in occupancy from 85% (2012/2013) to 90%. The total room revenue generated amounted to HK$28.1 million, representing a growth of 6.8% compared to last year.

Manufacturing and Distribution of Plastic Packaging Materials

This segment recorded a turnover of HK$359.8 million (2012/2013: HK$327.3 million) representing an increase of 9.9% over previous financial year. The increase in turnover was mainly due to an increase in sales volume and the price of the products.

Our manufacturing business did well to weather such adverse business environment as our business is strategically positioned with a balance customer base around the globe and has the capacity to manufacture a variety of products for a diversified market. With such solid foundation to build on, we refurbished and rearranged our production facilities to streamline our workflow and tightened our operating expenses. Furthermore, we have raised our overall prices and enhanced the ratio of higher value added product in our sales portfolio allowing us to record a profit of HK$6.1 million (2012/2013: a loss of HK$22.4 million). Deducting the effect of the change in export tax policy in adopting a plan allocation rate based on a weighted average annual rate when calculating the "exemption, credit and rebate" amount coupled with the need to account for education supplementary tax and city maintenance and construction tax in previous financial years, the segment should record a profit of HK$11.2 million.

We have revamped our Nan Sing product brand identity with a "Live with more" tagline to condense our pledge to offer products of the best quality and go that extra mile to provide customers with that extra bit more. A unified brand image provided us a solid platform for future marketing campaigns to promote sales of our products and reinforce our brand in the household goods market.

Stock Broking, Futures and Finance

At the end of the financial year, Hang Seng Index only dropped by 50 points as compared to the beginning of the period. However, it hovered sharply with high/low of 4,700 points during the period, as market was influenced by both positive and negative news.

After reaching the highest point of 24,112 in February 2014, market started to worry about the tightening measures of money supply in China and the currency devaluation of Renminbi. Moreover, in March 2014, the political struggle in Ukraine would bring about systematic risks to investment market. The good news was US continues to maintain bond purchase and exits the Quantitative Easing program orderly which was out of expectation of the market. Investors shuttled among the unrest situation, the average daily turnover of the Hong Kong stock market maintained at a low level of around HK$50 billion to HK$60 billion.

With rising turnover contributed from increase in number of account executives in the stock broking business, brokerage commission received increased by 12.5% to HK$19.8 million in current year (2012/2013: HK$17.6 million). Interest earned from margin clients recorded an increase of 67% to HK$13.1 million (2012/2013: HK$7.8 million) which was attributed to clients who inclined to hold stock and made use of our lending facilities, As a result, the operating profit was HK$6.9 million (2012/2013: HK$1.7 million), representing an increase of 306% over last year.

Strategies and Prospects

As global economic condition remains unstable, our businesses will undoubtedly be affected. To cope with the uncertainties, we will cautiously review and adjust our business strategies from time to time.

Property Investment and Development

In Hong Kong, the low interest rate environment will continue to benefit the local property market. Rental income from the Group's investment properties is expected to remain stable while certain rental leases have been adjusted during contract renewal according to market conditions. Besides, we seize opportunities to rearrange our investment properties portfolio as we hold a positive view towards the prospects of real estate market in Hong Kong.

Subsequent to the reporting period, by consolidating the investment properties portfolio with higher quality properties and investment potential, the Group disposed of its industrial building located at Kwai Chung with expected gain of approximately HK$107 million and acquired a bare site located at King's Road, North Point.

Hotel

With the projection of marginal increase in Hong Kong Tourism, the continued increase of accommodation supply, coupled with the political uncertainty, 2014-15 is forecasted to be a challenging year. However, with the perfect ideal location in Tsimshatsui, the hotel will continue to attract leisure FIT business. Efforts will be geared at expanding the growing South East Asia markets as well as the upcoming new markets such as India. To counter the increased aggressive competition from the hotels nearby, Hotel Benito will also continue emphasis on service and value for money and maintain the highest possible physical condition of the hotel.

Manufacturing and Distribution of Plastic Packaging Materials

Operating environment in Mainland China remained difficult with numerous burdensome taxes and administrative fees coupled with fast-inflating labor costs and shortage of workers. Furthermore, Japan has raised its sales tax from 5% to 8% in April 2014 and Hong Kong has passed an amendment to extend 50 HK cents plastic bag levy to all shops from April 1 next year will undoubtedly have an impact towards our business.

In order to face with the challenges ahead amid intense competition, the Group will focus on product quality and promote higher value added products. We will embrace technological innovation as its core competence, focus on customers' needs when planning development direction and improve our operational efficiency and effectiveness to drive profitable growth.

A comprehensive "Live with more" marketing campaign is underway to promote our brand and increase sales of our products. We will formulate expansion strategies to deepen our penetration in existing channels and widening our territorial foothold to other provinces and regions and broaden our household goods portfolio.

Stock Broking, Futures and Finance

We foresee that 2014-2015 is still a challenging year. Subsequent to the acceleration to exit the Quantitative Easing program by most of the countries, the developing countries including China will face great selling pressure when hot money withdraws. Response from market should not be underestimated. Moreover, China enters into a crucial point in its economic reform and may suffer from temporary stagnation. Hindered by such unfavorable factors, the Hong Kong stock market is still not optimistic in the coming year. Our business performance is highly correlated with the market sentiment.

Our internet trading platform has been upgraded and the improved version will be launched in June 2014.

Liquidity and Financial Resources

The Group takes a consistent capital management strategy, providing adequate liquidity to meet the requirement of the Group's developments and operations and monitors its capital on the basis of net debt to equity ratio.

As at 31 March 2014, cash and bank balances were HK$32.8 million (31 March 2013: HK$25.1 million) with trade and other receivables at HK$255.8 million (31 March 2013: HK$202.1 million). Trade and other payables were HK$138.9 million (31 March 2013: HK$130.8 million). The increase in cash and bank balances and trade and other payables were mainly attributed to the increase in secured margin client balances.

At the reporting date, the Group's bank borrowings increased from HK$313.7 million of the last year end date to HK$385.8 million of this year, in which the short term borrowings amounted to HK$240.0 million (31 March 2013: HK$153.3 million) and long term borrowings amounted to HK$145.8 million (31 March 2013: HK$160.4 million). The Group's current year net debt to equity ratio was 34% (31 March 2013: 31%), calculated on the basis of the Group's interest bearing debts less bank balances and cash together with time deposit and divided by shareholders' equity. The increases in bank borrowings and the net debt to equity ratio during the year were mainly due to the increase in margin clients receivable.

Foreign Exchange Exposure

To minimise exposure on foreign exchange fluctuations, the Group's borrowings are primarily denominated in Hong Kong dollars and United States dollars. Foreign currency risk exposure on other foreign currencies is normally covered by forward exchange contracts. The Group has no significant exposure to foreign exchange rate fluctuations.

Capital Structure

As at 31 March 2014, the total equity attributable to owners of the Company amounted to HK$1,017.8 million (31 March 2013: HK$927.3 million). The Group's consolidated net assets per share as at the reporting date was HK$4.75 (31 March 2013: HK$4.32).

Employees and Remuneration Policies

The Group had 495 employees as at 31 March 2014. Employees were remunerated according to nature of the job and market trend.

DIVIDENDS

No interim dividend was paid during the year (2012/2013: Nil). The Directors recommend the payment of a final dividend of HK3 cents per ordinary share (2012/2013: HK3 cents per ordinary share) in respect of the year ended 31 March 2014 to all shareholders of the Company whose name appear on the register of members of the Company on 29 August 2014 at the forthcoming annual general meeting ("AGM").

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The register of members of the Company will be closed from Tuesday, 19 August 2014 to Friday, 22 August 2014, both days inclusive, during which period no share transfers can be registered. In order to eligible to attend and vote at the AGM, all transfer, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, General Secretarial Services Limited at 20th Floor, Capital Centre, 5-19 Jardine's Bazaar, Causeway Bay, Hong Kong, not later than 4:30 p.m. on Monday, 18 August 2014.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

The register of members of the Company will closed from Thursday, 28 April 2014 to Friday, 29 August 2014, both dates inclusive, during which period no share transfers can be registered. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, General Secretarial Services Limited at 20th Floor, Capitol Centre, 5-19 Jardine's Bazaar, Causeway Bay, Hong Kong, not later than 4:30 p.m. on Wednesday, 27 August 2014.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, the Company has complied with all those code provisions set out in the Code on Corporate Governance Practices ("Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") except the following deviations:

Pursuant to Code A.2.1, the roles of chairman and chief executive officer should be performed by different individuals. Currently, the two roles are performed by the same individual. After reviewing the management structure, the Board is of the opinion that Board decisions are collective decisions of all Directors made by way of voting and not decisions of the Chairman of the Board alone. Further, there is a clear division of responsibilities with independent operations between the Board members and the management of the day-to-day business of the Company. As such, the power of management of the Company is not concentrated in any one individual. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group.

Pursuant to Code A.4.1, non-executive directors should be appointed for a specific term. Currently, non-executive directors are not appointed for a specific term but they are subject to retirement by rotation and become eligible for re-election at each annual general meeting under the articles of association of the Company. The deviation is deemed appropriate as the retirement by rotation has given the Company's Shareholders the right to approve or disapprove the continuation of the service of non-executive directors.

Pursuant to Code A.6.7, independent non-executive directors and non-executive directors, as equal board members, should attend general meetings of the Company. During the year, certain non-executive directors were unable to attend the annual general meeting of the Company held on 23 August 2013 as they had other business engagements.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' DEALING IN SECURITIES

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" ("Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by Directors of the Company. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard laid down in the Model Code.

AUDIT COMMITTEE

The Audit Committee of the Company, which comprises four independent non-executive directors of the Company, namely Mr. Chan Siu Ting (Chairman of the Audit Committee), Mr. James L. Kwok, Mr. Wong Shek Keung and Mr. Tsui Ka Wah and two non-executive directors of the Company, namely Mr. Chan Man Hon, Eric and Mr. Tsai Han Yung. The annual results of the Group for the year ended 31 March 2014 have been reviewed by the Audit Committee, prior to their approval by the Board.

INTERNAL CONTROL

The Directors are ultimately responsible for the internal control system of the Group and, through the Audit Committee, have reviewed the effectiveness of the system.

A review of the effectiveness of the Group's internal control system and procedures covering all controls, including financial, operational and compliance and risk management, was conducted by the Audit Committee and subsequently reported to the Board during the year. Based on the result of the review, in respect of the year ended 31 March 2014, the Directors considered that the internal control system and procedures of the Group were effective and adequate.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is available for viewing on the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk under "Latest Listed Companies Information" and on the website of the Company at www.seapnf.com.hk. The Company's annual report for 2013/2014 will be despatched to the Shareholders of the Company and available on the above websites in due course.

On behalf of the Board
Southeast Asia Properties & Finance Limited
Chua Nai Tuen
Chairman and Managing Director

Hong Kong, 27 June 2014

As at the date of this announcement, the board of directors of the Company comprises: (1) Executive directors: Mr. Chua Nai Tuen (Chairman and Managing Director), Mr. Chua Nai King (Deputy Chairman), Mr. Nelson Junior Chua and Mr. Gilson Chua; (2) Non-executive directors: Mr. Chan Man Hon, Eric, Mr. Jimmy Siy Tiong, Mr. Rene Siy Chua, Mr. Tsai Han Yung, Mr. Samuel Siy Yap and Ms. Vivian Chua; and (3) Independent non-executive directors: Mr. Chan Siu Ting, Mr. James L. Kwok, Mr. Wong Shek Keung, Mr. Tsui Ka Wah and Mr. Tsai Sui Cheung, Andrew.