Lippo China Resources Limited
力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 156)

2013
INTERIM REPORT

Contents

The Directors of Lippo China Resources Limited (the "Company") present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30th September, 2013.

Condensed Consolidated Income Statement

For the six months ended 30th September, 2013

	Note	Unaudited six months ended 30th September, 2013 HK$'000	Unaudited six months ended 30th June, 2012 HK$'000 (Restated)
Revenue	3	**1,414,076**	1,286,909
Cost of sales		**(726,319)**	(669,750)
Gross profit		**687,757**	617,159
Administrative expenses		**(430,551)**	(365,165)
Other operating expenses		**(179,521)**	(188,082)
Gain on disposal of available-for-sale financial assets		**131,599**	—
Gain on disposal of investment properties		**—**	19,685
Net fair value gain/(loss) on investment properties		**(10,211)**	503,329
Net fair value loss on financial instruments at fair value through profit or loss		**(68,537)**	(17,365)
Finance costs		**(50,244)**	(24,808)
Share of results of associates		**(4,654)**	413
Share of results of joint ventures		**3,131**	2,163
Profit before tax	4	**78,769**	547,329
Income tax	5	**68,433**	(128,138)
Profit for the period		**147,202**	419,191
Attributable to:			
Equity holders of the Company		**159,030**	412,744
Non-controlling interests		**(11,828)**	6,447
		147,202	419,191
		HK cents	*HK cents*
Earnings per share attributable to equity holders of the Company	6		
Basic		**1.73**	4.49
Diluted		**1.73**	4.49

Details of the interim dividend are disclosed in Note 7 to the interim financial statements.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30th September, 2013

	Unaudited six months ended 30th September, 2013 HK$'000	30th June, 2012 HK$'000 (Restated)
Profit for the period	**147,202**	419,191
Other comprehensive income/(loss)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Available-for-sale financial assets:		
Changes in fair value	**(538)**	16,662
Reclassification adjustments for disposal	**(118,914)**	—
	(119,452)	16,662
Exchange differences on translation of foreign operations	**25,166**	16,855
Other comprehensive income/(loss) for the period, net of tax	**(94,286)**	33,517
Total comprehensive income for the period	**52,916**	452,708
Attributable to:		
Equity holders of the Company	**82,611**	427,754
Non-controlling interests	**(29,695)**	24,954
	52,916	452,708

Condensed Consolidated Statement of Financial Position

As at 30th September, 2013

	Note	30th September, 2013 HK$'000 (Unaudited)	31st March, 2013 HK$'000 (Restated)
Non-current assets			
Intangible assets		**559,510**	575,813
Exploration and evaluation assets		**104,072**	97,345
Fixed assets		**362,221**	366,420
Investment properties		**4,711,503**	4,599,855
Interests in associates		**85,226**	85,419
Interests in joint ventures		**16,234**	17,261
Available-for-sale financial assets	*8*	**131,021**	288,713
Debtors, prepayments and deposits	*9*	**41,067**	40,985
Other financial assets	*10*	**34,521**	17,639
Deferred tax assets		**7,653**	6,106
		6,053,028	6,095,556
Current assets			
Properties held for sale		**12,543**	13,248
Properties under development		**387,139**	314,274
Inventories		**254,253**	212,980
Loans and advances		**97,496**	—
Debtors, prepayments and deposits	*9*	**541,748**	498,580
Financial assets at fair value through profit or loss	*11*	**216,886**	519,592
Other financial assets	*10*	**981**	7,275
Tax recoverable		**3,564**	5,437
Restricted cash		**57,492**	66,193
Cash and bank balances		**1,270,561**	1,611,315
		2,842,663	3,248,894
Current liabilities			
Bank and other borrowings	*12*	**455,007**	116,453
Creditors, accruals and deposits received	*13*	**642,224**	636,302
Other financial liabilities	*10*	**17,810**	134,632
Tax payable		**61,895**	69,080
		1,176,936	956,467
Net current assets		**1,665,727**	2,292,427
Total assets less current liabilities		**7,718,755**	8,387,983

As at 30th September, 2013

	Note	**30th September, 2013 HK$'000 (Unaudited)**	31st March, 2013 HK$'000 (Restated)
Non-current liabilities			
Bank and other borrowings	*12*	**1,403,920**	1,921,291
Creditors, accruals and deposits received	*13*	**24,724**	25,080
Other financial liabilities	*10*	**48,578**	32,440
Deferred tax liabilities		**616,548**	690,699
		2,093,770	2,669,510
Net assets		**5,624,985**	5,718,473
Equity			
Equity attributable to equity holders of the Company			
Issued capital	*14*	**918,691**	918,691
Reserves		**3,858,586**	3,835,629
		4,777,277	4,754,320
Non-controlling interests		**847,708**	964,153
		5,624,985	5,718,473

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September, 2013

	Unaudited										
	Attributable to equity holders of the Company										
	Issued capital *HK$'000*	Share premium account *HK$'000*	Share option reserve *HK$'000*	Capital redemption reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Other asset revaluation reserve *HK$'000*	Exchange equalisation reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
At 1st April, 2013											
As previously reported	**918,691**	**785,568**	**1,647**	**1,648**	**118,534**	**27,039**	**436,970**	**2,464,223**	**4,754,320**	**61,634**	**4,815,954**
Prior year adjustments	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**902,519**	**902,519**
As restated	**918,691**	**785,568**	**1,647**	**1,648**	**118,534**	**27,039**	**436,970**	**2,464,223**	**4,754,320**	**964,153**	**5,718,473**
Profit for the period	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**159,030**	**159,030**	**(11,828)**	**147,202**
Other comprehensive income/(loss) for the period	**—**	**—**	**(19)**	**—**	**(119,452)**	**—**	**43,052**	**—**	**(76,419)**	**(17,867)**	**(94,286)**
Total comprehensive income/(loss) for the period	**—**	**—**	**(19)**	**—**	**(119,452)**	**—**	**43,052**	**159,030**	**82,611**	**(29,695)**	**52,916**
Change in non-controlling interests without change in control *(Note 16)*	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**9,248**	**9,248**	**(74,928)**	**(65,680)**
2012/2013 final dividend declared and paid to shareholders of the Company	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(68,902)**	**(68,902)**	**—**	**(68,902)**
Dividend declared and paid to non-controlling shareholders of a subsidiary	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(11,822)**	**(11,822)**
At 30th September, 2013	**918,691**	**785,568**	**1,628**	**1,648**	**(918)**	**27,039**	**480,022**	**2,563,599**	**4,777,277**	**847,708**	**5,624,985**
At 1st January, 2012											
As previously reported	919,125	785,257	11,915	984	131,186	40,901	350,915	2,359,132	4,599,415	42,003	4,641,418
Prior year adjustments	—	—	—	—	—	—	—	—	—	900,212	900,212
As restated	919,125	785,257	11,915	984	131,186	40,901	350,915	2,359,132	4,599,415	942,215	5,541,630
Profit for the period	—	—	—	—	—	—	—	412,744	412,744	6,447	419,191
Other comprehensive income/(loss) for the period	—	—	—	—	16,662	—	(1,652)	—	15,010	18,507	33,517
Total comprehensive income/(loss) for the period	—	—	—	—	16,662	—	(1,652)	412,744	427,754	24,954	452,708
Purchase of treasury shares by a subsidiary	—	—	—	—	—	—	—	135	135	(916)	(781)
Equity-settled share option arrangement	—	—	169	—	—	—	—	—	169	169	338
2011 final and special final dividends declared to shareholders of the Company	—	—	—	—	—	—	—	(183,825)	(183,825)	—	(183,825)
Dividends declared and paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	(13,266)	(13,266)
At 30th June, 2012 (restated)	919,125	785,257	12,084	984	147,848	40,901	349,263	2,588,186	4,843,648	953,156	5,796,804

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th September, 2013

	Unaudited six months ended 30th September, 2013 HK$'000	30th June, 2012 HK$'000 (Restated)
Net cash flows used in operating activities	**(156,383)**	(106,186)
Net cash flows from investing activities	**203,077**	174,475
Net cash flows used in financing activities	**(385,788)**	(162,089)
Net decrease in cash and cash equivalents	**(339,094)**	(93,800)
Cash and cash equivalents at beginning of period	**1,611,059**	952,261
Exchange realignments	**(1,657)**	4,717
Cash and cash equivalents at end of period	**1,270,308**	863,178
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	**1,270,561**	873,522
Time deposits with original maturity of more than three months	**(253)**	(10,344)
	1,270,308	863,178

1. Principal Accounting Policies

The interim financial statements are unaudited, condensed and have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

Pursuant to a resolution of the Board of Directors passed on 28th December, 2012, the Company's financial year end date was changed from 31st December to 31st March. Accordingly, these condensed interim financial statements now presented cover a six-month period from 1st April, 2013 to 30th September, 2013, and the comparative figures in these condensed interim financial statements cover a six-month period from 1st January, 2012 to 30th June, 2012.

The accounting policies and basis of preparation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group's audited financial statements for the fifteen months ended 31st March, 2013, except as described below.

The Group has adopted the following new and revised Hong Kong Financial Reporting Standards ("HKFRS"), HKASs and Interpretations (hereinafter collectively referred to as the "new and revised HKFRSs"), which have become effective for accounting periods beginning on or after 1st April, 2013, for the first time for the current period's financial statements:

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: 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 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 *— Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009 – 2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 13 and HKAS 1 Amendments, the adoption of the above new and revised HKFRSs has had no significant financial effect on these interim financial statements.

HKFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in HKAS 27 and HK(SIC)-Int 12 *Consolidation — Special Purpose Entities*. HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also addresses the issues raised in HK(SIC)-Int 12. HKFRS 10 affects the accounting for the Group's interests in Auric Pacific Group Limited ("Auric") and Asia Now Resources Corp. ("Asia Now").

1. Principal Accounting Policies *(Continued)*

Auric is a company listed on the Singapore Exchange Securities Trading Limited. The Group's interest in Auric was reduced from 51.2 per cent. to 49.3 per cent. in February 2006, and Auric has been regarded as an associate of the Group and accounted for using the equity method of accounting. Having considered the absolute size of the Group's holding of voting rights and the relative size and dispersion of holdings of other shareholders, the Group has determined that its equity interest held would be sufficient to maintain the control in Auric under HKFRS 10. Upon the adoption of HKFRS 10, Auric is treated as a subsidiary of the Group and consolidated as if HKFRS 10 had always been effective.

Asia Now is a company listed on the TSX Venture Exchange of Canada. The Group has held approximately 49.9 per cent. in its issued share capital since November 2010, and Asia Now has been regarded as an associate of the Group and accounted for using the equity method of accounting. Having considered the absolute size of the Group's holding of voting rights and the relative size and dispersion of holdings of other shareholders, the Group has determined that its equity interest held would be sufficient to give it control over Asia Now since November 2010 under HKFRS 10. Upon the adoption of HKFRS 10, Asia Now is treated as a subsidiary of the Group and consolidated as if HKFRS 10 had always been effective.

This change in accounting policy has been applied retrospectively and the effects are summarised below:

	Six months ended 30th June, 2012 *HK$'000*
Consolidated income statement	
Increase in revenue	1,163,972
Increase in cost of sales	(660,223)
Increase in gross profit	503,749
Increase in administrative expenses	(338,399)
Increase in other operating expenses	(148,854)
Increase in net fair value loss on financial instruments at fair value through profit or loss	(2,129)
Increase in finance costs	(982)
Decrease in share of results of associates	(4,941)
Increase in share of results of joint ventures	2,197
Increase in income tax expense	(6,124)
Increase in profit for the period	4,517
Increase in profit for the period attributable to non-controlling interests	4,517

The above change has had no effect on the basic earnings per share and diluted earnings per share of the Group.

1. Principal Accounting Policies *(Continued)*

	31st March, 2013 HK$'000
Consolidated statement of financial position	
Non-current assets	
Increase in intangible assets	575,813
Increase in exploration and evaluation assets	97,345
Increase in fixed assets	249,793
Decrease in interests in associates	(773,896)
Increase in interests in joint ventures	12,362
Increase in available-for-sale financial assets	52,085
Increase in debtors, prepayments and deposits	40,985
Increase in deferred tax assets	6,106
	260,593
Current assets	
Increase in inventories	212,980
Increase in debtors, prepayments and deposits	412,707
Increase in financial assets at fair value through profit or loss	229,073
Increase in tax recoverable	5,437
Increase in restricted cash	33,204
Increase in cash and bank balances	408,960
	1,302,361
Current liabilities	
Increase in bank and other borrowings	35,785
Increase in creditors, accruals and deposits received	448,298
Increase in other financial liabilities	98,919
Increase in tax payable	22,867
	605,869
Non-current liabilities	
Increase in bank and other borrowings	519
Increase in creditors, accruals and deposits received	25,080
Increase in deferred tax liabilities	28,967
	54,566
Increase in net assets	902,519
Increase in non-controlling interests and equity	902,519

1. Principal Accounting Policies *(Continued)*

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. Some of the disclosures for financial instruments are specifically required in the interim financial information.

The HKAS 1 Amendments change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gain on hedge of a net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains or losses on defined benefit plans and revaluation of land and buildings). The Group's presentation of other comprehensive income in the interim financial statements has been modified accordingly.

2. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has reportable operating segments as follows:

(a) the property investment segment includes letting and resale of properties;

(b) the property development segment includes development and sale of properties;

(c) the treasury investment segment includes investments in cash and bond markets;

(d) the securities investment segment includes dealings in securities and disposals of investments;

(e) the food businesses segment mainly includes distribution of consumer food and non-food products, food manufacturing and retailing, the management of restaurants and food court operations; and

(f) the "other" segment comprises principally mineral exploration, extraction and processing, money lending and the provision of property management services.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that finance costs as well as head office and corporate expenses are excluded from such measurement.

Inter-segment transactions are on an arm's length basis in a manner similar to transactions with third parties.

2. Segment Information *(Continued)*

	Property investment HK$'000	Property development HK$'000	Treasury investment HK$'000	Securities investment HK$'000	Food businesses HK$'000	Other HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Six months ended 30th September, 2013								
Revenue								
External	**105,379**	**—**	**7,467**	**32,284**	**1,257,049**	**11,897**	**—**	**1,414,076**
Inter-segment	**5,336**	**—**	**—**	**—**	**—**	**—**	**(5,336)**	**—**
Total	**110,715**	**—**	**7,467**	**32,284**	**1,257,049**	**11,897**	**(5,336)**	**1,414,076**
Segment results	**72,093** *(Note)*	**(6,071)**	**7,467**	**94,038**	**(4,146)**	**(2,182)**	**—**	**161,199**
Unallocated corporate expenses								**(30,663)**
Finance costs								**(50,244)**
Share of results of associates	**—**	**—**	**—**	**—**	**—**	**(4,654)**	**—**	**(4,654)**
Share of results of joint ventures	**—**	**2**	**—**	**—**	**3,129**	**—**	**—**	**3,131**
Profit before tax								**78,769**
Six months ended 30th June, 2012 (restated)								
Revenue								
External	110,489	—	1,535	20	1,166,758	8,107	—	1,286,909
Inter-segment	3,054	—	—	—	—	—	(3,054)	—
Total	113,543	—	1,535	20	1,166,758	8,107	(3,054)	1,286,909
Segment results	618,247 *(Note)*	(2,829)	1,527	(15,216)	23,509	(6,518)	—	618,720
Unallocated corporate expenses								(49,159)
Finance costs								(24,808)
Share of results of associates	—	—	—	—	—	413	—	413
Share of results of joint ventures	—	(14)	—	—	2,197	(20)	—	2,163
Profit before tax								547,329

Note: The amount included net fair value loss on investment properties of HK$10,211,000 (period ended 30th June, 2012 — gain of HK$503,329,000).

3. Revenue

Revenue, which is also the Group's turnover, represents the aggregate of gross rental income, gross proceeds from sales of properties, gross income on treasury investment which includes interest income on bank deposits and debt securities, income from securities investment which includes gain/(loss) on sales of securities investment, dividend income and related interest income, sales income from food businesses, gross income from property management, and interest and other income from money lending and other businesses, after eliminations of all significant intra-group transactions.

An analysis of the revenue of the Group by principal activity is as follows:

	Six months ended	
	30th September, 2013 *HK$'000*	30th June, 2012 *HK$'000* (Restated)
Property investment	**105,379**	110,489
Treasury investment	**8,528**	2,480
Securities investment	**35,628**	17,811
Food businesses	**1,244,011**	1,141,334
Other	**20,530**	14,795
	1,414,076	1,286,909

4. Profit before Tax

Profit before tax is arrived at after crediting/(charging):

	Six months ended	
	30th September, 2013 *HK$'000*	30th June, 2012 *HK$'000* (Restated)
Interest income:		
Unlisted financial assets at fair value through profit or loss	**—**	325
Financial assets at fair value through profit or loss designated as such upon initial recognition	**2,166**	12,880
Loans and advances	**1,622**	—
Other	**8,528**	2,480
Dividend income:		
Listed investments	**2,871**	292
Unlisted investments	**1,179**	—
Gain/(Loss) on disposal of:		
Listed financial assets at fair value through profit or loss	**29,412**	129
Listed available-for-sale financial assets	**131,599**	—
Derivative financial instruments	**(3,449)**	4,185
Fixed assets	**(167)**	47
Gain on deemed disposal of an associate	**5,467**	—
Net fair value gain/(loss) on:		
Listed financial assets at fair value through profit or loss	**(58,423)**	(15,549)
Unlisted financial assets at fair value through profit or loss	**(2,505)**	1,923
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	**(1,381)**	(3,136)
Derivative financial instruments	**(6,228)**	(603)

4. Profit before Tax *(Continued)*

Profit before tax is arrived at after crediting/(charging): *(Continued)*

	Six months ended 30th September, 2013 HK$'000	Six months ended 30th June, 2012 HK$'000 (Restated)
Write-back of provision/(Provision) for impairment losses on:		
Unlisted available-for-sale financial assets	**—**	878
Inventories	**(6,565)**	(8,290)
Bad and doubtful debts	**(1,425)**	(1,479)
Fixed assets	**(889)**	(5,259)
Intangible assets	**—**	(198)
Depreciation	**(44,220)**	(31,401)
Amortisation of intangible assets	**(8,638)**	(8,698)
Foreign exchange gains/(losses) — net	**9,480**	(7,099)
Cost of inventories sold	**(651,135)**	(600,269)

5. Income Tax

	Six months ended 30th September, 2013 HK$'000	Six months ended 30th June, 2012 HK$'000 (Restated)
Hong Kong:		
Charge for the period	**1,321**	2,841
Overprovision in prior periods	**(275)**	—
Deferred	**319**	863
	1,365	3,704
Overseas:		
Charge for the period	**20,919**	17,651
Overprovision in prior periods	**(643)**	(287)
Deferred	**(90,074)**	107,070
	(69,798)	124,434
Total charge/(credit) for the period	**(68,433)**	128,138

Hong Kong profits tax has been provided at the rate of 16.5 per cent. (period ended 30th June, 2012 — 16.5 per cent.) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

6. Earnings Per Share Attributable to Equity Holders of the Company

(a) Basic earnings per share

Basic earnings per share is calculated based on (i) the consolidated profit for the period attributable to equity holders of the Company; and (ii) the weighted average number of 9,186,913,000 ordinary shares (period ended 30th June, 2012 — 9,191,253,000 ordinary shares) in issue during the period.

(b) Diluted earnings per share

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30th September, 2013.

Diluted earnings per share for the period ended 30th June, 2012 is calculated based on (i) the consolidated profit for the period attributable to equity holders of the Company; and (ii) the weighted average number of 9,191,735,000 ordinary shares, as follows:

	Number of shares Six months ended 30th June, 2012
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	9,191,253,000
Effect of dilution — weighted average number of ordinary shares:	
Share options	482,000
	9,191,735,000

7. Interim Dividend

	Six months ended	
	30th September, 2013	30th June, 2012
	HK$'000	*HK$'000*
Interim dividend, declared, of HK0.2 cent (period ended 30th June, 2012 — HK0.3 cent) per ordinary share	**18,374**	27,554

The interim dividend was declared after the end of the reporting period and hence was not accrued on that date.

8. Available-for-sale Financial Assets

	30th September, 2013	31st March, 2013
	HK$'000	*HK$'000* (Restated)
Financial assets stated at fair value:		
Equity securities listed overseas	**—**	155,897
Unlisted investment funds	**3,697**	4,584
	3,697	160,481
Financial assets stated at cost:		
Unlisted equity securities	**133,939**	132,514
Unlisted debt securities	**7,298**	7,298
Unlisted investment funds	**80,521**	81,326
	221,758	221,138
Provision for impairment losses	**(94,434)**	(92,906)
	127,324	128,232
	131,021	288,713

The debit securities are non-interest bearing.

9. Debtors, Prepayments and Deposits

Included in the balances are trade debtors with an aged analysis as follows:

	30th September, 2013	31st March, 2013
	HK$'000	*HK$'000*
		(Restated)
Outstanding balances with ages:		
Within 30 days	**257,139**	231,515
Between 31 and 60 days	**83,680**	57,747
Between 61 and 90 days	**35,919**	36,778
Between 91 and 180 days	**6,252**	13,167
Over 180 days	**1,321**	1,094
	384,311	340,301

Trading terms with customers are either on a cash basis or credit. For those customers who trade on credit, a credit period is allowed according to relevant business practice. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by senior management.

At the end of the reporting period, the impaired trade and other receivables related to food businesses. The Group does not hold any collateral or other credit enhancements over these balances. Movements in the allowance for bad and doubtful debts during the period are as follows:

	Six months ended	
	30th September, 2013	30th June, 2012
	HK$'000	*HK$'000*
		(Restated)
Balance at beginning of the period	**26,305**	55,942
Allowance for bad and doubtful debts	**1,425**	1,479
Amount written-off as uncollectible	**(1,784)**	(26,682)
Exchange adjustments	**(617)**	(158)
Balance at end of the period	**25,329**	30,581

The balances of trade debtors are non-interest-bearing.

10. Other Financial Assets/Liabilities

	30th September, 2013		31st March, 2013	
	Assets	**Liabilities**	Assets	Liabilities
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
				(Restated)
Non-current portion:				
Derivative financial instruments:				
Forward currency contracts	**33,563**	**48,578**	17,639	31,430
Interest rate swap	**958**	**—**	—	1,010
	34,521	**48,578**	17,639	32,440
Current portion:				
Derivative financial instruments:				
Call option	**—**	**—**	7,275	—
Futures	**981**	**—**	—	—
Financial liabilities at fair value through profit or loss designated as such upon recognition *(Note)*	**—**	**17,810**	—	134,632
	981	**17,810**	7,275	134,632
	35,502	**66,388**	24,914	167,072

Note: As at 31st March, 2013, the balance included redeemable preference shares ("RPS") of HK$98,919,000. In 2010, Auric Pacific Real Estate Fund (the "Fund"), a private equity fund sponsored by the Group, issued 1,520 RPS at S$10,000 each specifically for the real estate fund investment activities. The RPS generally did not carry a voting right and were entitled to distributions from the net proceeds arising from the sale of investment and all other proceeds from the real estate fund investment activities, at the discretion of the investment committee. As the Group completed the disposal of its interest in the Fund in May 2013, the subsidiary and its RPS were derecognised.

11. Financial Assets at Fair Value through Profit or Loss

	30th September, 2013 *HK$'000*	31st March, 2013 *HK$'000* (Restated)
Held for trading:		
Equity securities listed in Hong Kong	**92,989**	125,884
Equity securities listed overseas	**115,318**	164,635
Unlisted investments funds	**8,579**	11,168
	216,886	301,687
Financial assets at fair value through profit or loss designated as such upon initial recognition:		
Mezzanine loan *(Note)*	**—**	217,905
	216,886	519,592

Note: In 2010, the Group, through the Fund, acquired a mezzanine loan of HK$217,921,000 owing from a third party, which bore interest at a rate of 15 per cent. per annum. There was a default by the borrower in 2012 but there was no default recoverability issue as the loan was secured by a first ranking mortgage over a land owned by the third party. In May 2013, the loan was divested following the disposal of RPS and the share capital of the Fund and the repayment of all outstanding interests.

12. Bank and Other Borrowings

	30th September, 2013 *HK$'000*	31st March, 2013 *HK$'000* (Restated)
Current portion:		
Bank loans:		
Secured *(Note 1)*	**415,829**	83,168
Unsecured	**38,832**	32,885
Obligations under finance leases *(Note 2)*	**346**	400
	455,007	116,453
Non-current portion:		
Secured bank loans *(Note 1)*	**1,403,574**	1,920,772
Obligations under finance leases *(Note 2)*	**346**	519
	1,403,920	1,921,291
	1,858,927	2,037,744

12. Bank and Other Borrowings *(Continued)*

	30th September, 2013 *HK$'000*	31st March, 2013 *HK$'000* (Restated)
Bank and other borrowings by currency:		
Hong Kong dollar	**1,453,068**	1,660,521
Renminbi	**366,335**	343,419
Malaysian Ringgit	**39,524**	33,804
	1,858,927	2,037,744
Bank loans repayable:		
Within one year	**454,661**	116,053
In the second year	**1,403,574**	840,668
In the third to fifth years, inclusive	**—**	1,080,104
	1,858,235	2,036,825
Other borrowings repayable:		
Within one year	**346**	400
In the second year	**346**	344
In the third to fifth years, inclusive	**—**	175
	692	919

The Group's bank loans bear interest at floating rates ranging from 2.4 per cent. to 8.0 per cent. (31st March, 2013 — 2.4 per cent. to 8.0 per cent.) per annum.

Note:

1. At the end of the reporting period, the bank loans were secured by:

   (i) first legal mortgages over certain investment properties and leasehold land and buildings of the Group with carrying amounts of HK$4,061,317,000 (31st March, 2013 — HK$4,004,242,000) and HK$103,189,000 (31st March, 2013 — HK$104,488,000), respectively; and

   (ii) certain bank deposits of the Group with a carrying amount of HK$36,131,000 (31st March, 2013 — HK$40,320,000, restated).

2. The Group has obligations under finance leases for certain plant and equipment. These leases are classified as finance lease and expire over 3 years (31st March, 2013 — 3 years). The implicit average interest rate in the leases ranges from 3.8 per cent. to 3.9 per cent. (31st March, 2013 — 3.8 per cent. to 3.9 per cent.) per annum. At the end of the reporting period, the obligations under finance leases were secured by rights to certain leased plant and equipment of the Group with a carrying amount of HK$692,000 (31st March, 2013 — HK$919,000).

13. Creditors, Accruals and Deposits Received

Included in the balances are trade creditors with an aged analysis as follows:

	30th September, 2013 *HK$'000*	31st March, 2013 *HK$'000* (Restated)
Outstanding balances with ages:		
Within 30 days	**154,184**	125,936
Between 31 and 60 days	**29,365**	22,167
Between 61 and 90 days	**13,399**	8,531
Between 91 and 180 days	**15,053**	21,049
Over 180 days	**2,586**	1,987
	214,587	179,670

The balances of trade creditors are non-interest-bearing and are normally settled on their normal trade terms of 7 to 90 days.

14. Share Capital

	30th September, 2013 *HK$'000*	31st March, 2013 *HK$'000*
Authorised:		
28,000,000,000 (31st March, 2013 — 28,000,000,000) ordinary shares of HK$0.10 each	**2,800,000**	2,800,000
Issued and fully paid:		
9,186,912,716 (31st March, 2013 — 9,186,912,716) ordinary shares of HK$0.10 each	**918,691**	918,691

15. Share Option Schemes

Details of the share option schemes of the Company and its subsidiary are as follows:

(a) *Share Option Scheme of the Company adopted on 7th June, 2007*

Pursuant to the share option scheme of the Company (the "Share Option Scheme") adopted and approved by the shareholders of the Company and Lippo Limited ("Lippo"), an intermediate holding company of the Company, on 7th June, 2007 (the "Adoption Date"), the board of the Directors of the Company (the "Board") may, at its discretion, offer to grant to any eligible employee (including director, officer and/or employee of the Group or any member of it); or any consultant, adviser, supplier, customer or sub-contractor of the Group or any member of it; or any other person whomsoever is determined by the Board as having contributed to the development, growth or benefit of the Group or any member of it or as having spent any material time in or about the promotion of the Group or its business (together the "Eligible Person") an option to subscribe for shares in the Company. The purpose of the Share Option Scheme is to provide Eligible Persons with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Persons to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The Share Option Scheme shall be valid and effective for the period of ten years commencing on the Adoption Date. Under the rules of the Share Option Scheme, no further options shall be granted on and after the tenth anniversary of the Adoption Date. The options can be exercised at any time during the period commencing on the date of grant and ending on the date of expiry which date shall not be later than the day last preceding the tenth anniversary of the date of grant. The Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised. However, the rules of the Share Option Scheme provide that the Board may determine, at its sole discretion, such term(s) on the grant of an option. No grantee of option is required to pay for the grant of the relevant option.

The overall limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and other share option schemes must not exceed 30 per cent. of the issued shares of the Company from time to time. The maximum number of shares in respect of which options may be granted under the Share Option Scheme shall not (when aggregated with any shares subject to options granted after the Adoption Date pursuant to any other share option scheme(s) of the Company) exceed 10 per cent. of the issued share capital of the Company on the Adoption Date, that is 920,108,871 shares (the "Scheme Mandate Limit"). The Scheme Mandate Limit may be renewed with prior approval of the shareholders of the Company. The total number of shares issued and to be issued upon exercise of options granted and to be granted under the Share Option Scheme to any single Eligible Person, whether or not already a grantee, in any 12-month period shall be subject to a limit that it shall not exceed 1 per cent. of the issued shares of the Company at the relevant time. The exercise price for the shares under the Share Option Scheme shall be determined by the Board at its absolute discretion but in any event shall not be less than the highest of (i) the closing price of the shares of the Company on the date of grant of the option, as stated in the daily quotations sheets of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"); (ii) the average closing price of the shares of the Company for the five trading days immediately preceding the date of grant of the option, as stated in the daily quotations sheets of the Stock Exchange; and (iii) the nominal value of the shares of the Company on the date of grant of the option.

As at the beginning and end of the period, there were no outstanding options granted under the Share Option Scheme to subscribe for ordinary shares of HK$0.10 each in the Company.

No option of the Company was granted, exercised, cancelled or lapsed during the period.

15. Share Option Schemes *(Continued)*

(b) Incentive Stock Option Plan of Asia Now adopted on 30th April, 2007 and amended and restated on 17th February, 2011

Pursuant to the incentive stock option plan of Asia Now adopted on 30th April, 2007 and amended and restated on 17th February, 2011 and approved by the shareholders of Asia Now (the "ANR Stock Option Plan"), the board of directors of Asia Now (the "ANR Board") may grant options to eligible persons including any employees, officers, directors, management company employees or consultants of Asia Now and any of its subsidiaries (the "ANR Eligible Persons") to purchase the common shares in the capital of Asia Now (the "ANR Shares"). The purpose of the ANR Stock Option Plan is to advance the interests of Asia Now by providing ANR Eligible Persons with additional incentive, encouraging equity ownership by such ANR Eligible Persons in the success of Asia Now, encouraging ANR Eligible Persons to remain with Asia Now or its affiliates and attracting new employees, directors and officers. The options granted must be exercised no later than five years after the date of grant. Subject to ANR Board's sole discretion in modifying the vesting of options, the options granted under ANR Stock Option Plan shall vest, and become exercisable as to 25 per cent. on the date of grant and 25 per cent. on each six-month anniversary of the date of grant (the "Vesting Period"). However, subject to the provisions of the ANR Stock Option Plan, the ANR Board shall have the authority to determine the terms, limitations, restrictions and conditions respecting the grant of options. No grantee of option is required to pay for the grant of the relevant option.

A maximum of 11,100,000 ANR Shares, representing approximately 10 per cent. of Asia Now's existing issued share capital, are reserved for issuance upon exercise of options granted under the ANR Stock Option Plan. The option exercise price shall be determined by the ANR Board in its sole discretion and shall not be less than the closing price of the ANR Shares on TSX Venture Exchange Inc. on the date immediately preceding the day on which the ANR Board grants and provides notice to such exchange of the grant of the option(s).

As at 1st April, 2013, there were 2,650,000 outstanding options granted under the ANR Stock Option Plan (the "ANR Options") to subscribe for a total of 2,650,000 ANR Shares. Of this total, 1,400,000 ANR Options have an exercise price of C$0.25 per share (subject to adjustment) and 1,250,000 ANR Options have an exercise price of C$0.30 per share (subject to adjustment). The above ANR Options are subject to the Vesting Period. As at 1st April, 2013, all the above ANR Options were vested.

15. Share Option Schemes *(Continued)*

(b) Incentive Stock Option Plan of Asia Now adopted on 30th April, 2007 and amended and restated on 17th February, 2011 (Continued)

During the period, details of movement in the ANR Options granted under the ANR Stock Option Plan are summarised as follows:

Participants	Date of grant	Expiry date	Exercise price per share (subject to adjustment) C$	Number of ANR Options: Balance as at 1st April, 2013	Lapsed during the period	Balance as at 30th September, 2013
Directors and officers of Asia Now	10th September, 2009	10th September, 2014	0.25	**800,000***	**(600,000)**	**200,000**
	17th February, 2011	17th February, 2016	0.30	**450,000#**	**(400,000)**	**50,000**
	24th March, 2011	24th March, 2016	0.30	**50,000**	**—**	**50,000**
Employees *(Note)*	10th September, 2009	10th September, 2014	0.25	**50,000**	**—**	**50,000**
	17th February, 2011	17th February, 2016	0.30	**450,000**	**(100,000)**	**350,000**
Others	10th September, 2009	10th September, 2014	0.25	**550,000**	**(550,000)**	**—**
	17th February, 2011	17th February, 2016	0.30	**300,000**	**(300,000)**	**—**
Total				**2,650,000**	**(1,950,000)**	**700,000**
Weighted average exercise price per ANR Share (C$)				**0.27**	**0.27**	**0.28**

* Included 600,000 ANR Options granted to a former director who resigned in May 2013 and such ANR Options lapsed during the period accordingly

\# Included 400,000 ANR Options granted to a former director who resigned in May 2013 and such ANR Options lapsed during the period accordingly

Note: Employees refer to the employees of Asia Now and its subsidiaries as at 30th September, 2013 working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance, other than the directors and chief executive of Asia Now.

During the period, 1,950,000 ANR Options to subscribe for 1,950,000 ANR Shares lapsed.

Save as disclosed herein, no option of Asia Now was granted, exercised, cancelled or lapsed during the period.

16. Change in Non-controlling Interests without Change in Control

Change in non-controlling interests during the six months ended 30th September, 2013 is as follows:

In June 2013, a wholly-owned subsidiary of Auric made a voluntary unconditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Food Junction Holdings Limited ("Food Junction"), a listed company in Singapore, other than treasury shares and those already owned, controlled or agreed to be acquired by Auric and its subsidiaries (the "APG Group"), at an offer price of S$0.255 in cash for each share (the "Offer"). Immediately before the Offer, the APG Group was interested in approximately 61.4 per cent. of the issued share capital of Food Junction (excluding treasury shares).

The Offer was closed on 14th August, 2013 and the APG Group held approximately 93.1 per cent. of the issued share capital in Food Junction immediately after the close of the Offer. The total consideration was approximately HK$65,680,000. The Group recognised a decrease in non-controlling interests of HK$74,928,000 and an increase in retained profits of HK$9,248,000.

17. Contingent Liabilities

At the end of the reporting period, the Group had the following contingent liabilities:

	30th September, 2013 *HK$'000*	31st March, 2013 *HK$'000* (Restated)
Secured bankers' guarantee *(Note 1)*	**37,116**	40,860
Unsecured bankers' guarantee *(Note 2)*	**6,841**	2,850
	43,957	43,710

Note:

1. The Group had bankers' guarantees issued in lieu of rental, security and utility deposits for the premises used for operation of food businesses. As at 30th September, 2013, fixed deposits of approximately HK$21,361,000 (31st March, 2013 — HK$25,873,000) was pledged to banks as security for bankers' guarantees issued.

2. The Group had bankers' guarantees issued in lieu of rental, security and utility deposits for the premises used for operation of food businesses.

18. Commitments

The Group had the following commitments at the end of the reporting period:

	30th September, 2013 *HK$'000*	31st March, 2013 *HK$'000* (Restated)
Commitments in respect of properties, plant and equipment and properties under development:		
Contracted, but not provided for	**193,505**	101,348
Other commitments:		
Contracted, but not provided for	**19,311**	20,498
	212,816	121,846

19. Related Party Transactions

In addition to the transactions detailed elsewhere in the interim financial statements, the Group had the following transactions with related parties during the period:

(a) During the period, the Group received rental income (including service charge) of HK$3,308,000 (period ended 30th June, 2012 — HK$3,629,000) from Lippo. The rental was determined by reference to the then prevailing open market rentals.

(b) During the period, the Group received rental income (including service charge) of HK$1,490,000 (period ended 30th June, 2012 — HK$1,532,000) from Hongkong Chinese Limited ("HKC"), a fellow subsidiary of the Company. The rental was determined by reference to the then prevailing open market rentals.

(c) During the period, the Group paid commission and/or brokerage expenses of HK$1,136,000 (period ended 30th June, 2012 — Nil) to subsidiaries of HKC. The commission and/or brokerage fee was determined by reference to the prevailing commission and/or brokerage fee offered to relevant market customers of comparable standing.

(d) During the period, the Group received service fee of HK$588,000 (period ended 30th June, 2012 — Nil) for restaurant management from a subsidiary of OUE Limited ("OUE"), a joint venture of HKC. The service fee was determined by reference to the prevailing service fees offered to relevant market customers of comparable standing.

(e) During the period, the Group received service fee of HK$2,240,000 (period ended 30th June, 2012 — Nil) for operation of the French cuisine segment of a restaurant from a subsidiary of OUE. The service fee was determined by reference to the prevailing service fees offered to relevant market customers of comparable standing.

(f) During the period, the Group received service fee of HK$2,402,000 (period ended 30th June, 2012 — Nil) for operation of the Japanese cuisine segment of a restaurant from a subsidiary of OUE. The service fee was determined by reference to the prevailing service fees offered to relevant market customers of comparable standing.

(g) During the period, the Group paid rental expense (including service charge) of HK$1,824,000 (period ended 30th June, 2012 — HK$1,833,000) to a subsidiary of OUE. The rental was determined by reference to the then prevailing open market rentals.

(h) During the period, the Group sold food and beverage products of HK$960,000 (period ended 30th June, 2012 — HK$670,000) to OUE and its subsidiaries. The sales were on normal commercial terms in line with, and with reference to, the industry practice.

(i) As at 30th September, 2013, the Group had amounts due from associates in a total of HK$50,207,000 (31st March, 2013 — HK$60,852,000). The balances with the associates include a loan of HK$15,509,000 (31st March, 2013 — HK$15,526,000), which bears interest at five-year United States Treasury bill rate per annum and is repayable in 2013. The remaining balances with the associates are unsecured, interest-free and have no fixed terms of repayments.

(j) During the period, the Group generated sales of HK$10,361,000 (period ended 30th June, 2012 — HK$11,386,000) from a joint venture. As at 30th September, 2013, the Group had amounts due from a joint venture in a total of HK$3,941,000 (31st March, 2013 — HK$3,831,000). The balance is unsecured, interest-free and repayable within normal trade credit terms.

20. Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

As at 30th September, 2013

	Level 1 *HK$'000*	**Level 2** *HK$'000*	**Level 3** *HK$'000*	**Total** *HK$'000*
Financial assets measured at fair value				
Available-for-sale financial assets:				
Investment fund	—	—	3,697	3,697
Financial assets at fair value through profit or loss:				
Equity securities	208,307	—	—	208,307
Investment funds	—	8,579	—	8,579
Other financial assets:				
Derivative financial instruments	981	34,521	—	35,502
	209,288	43,100	3,697	256,085
Financial liabilities measured at fair value				
Other financial liabilities:				
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	—	(17,810)	—	(17,810)
Derivative financial instruments	—	(48,578)	—	(48,578)
	—	(66,388)	—	(66,388)

20. Fair Value Hierarchy *(Continued)*

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of investment funds in Level 2 is determined by reference to secondary market quotations approximating the carrying value of the investment funds.

Derivative financial instruments include interest rate swap and forward currency contracts. The fair value of interest rate swap contract is the estimated amount that the Group would receive or pay to terminate the swap agreement at the end of the reporting period, taking into account the current market conditions and the current creditworthiness of the swap counterparties. The fair value of the forward currency contracts is determined by reference to the present value of expected future cash flows related to the difference between the contract rates and the market forward rates at the end of the reporting period.

The fair value of financial liabilities at fair value through profit or loss designated as such upon initial recognition in Level 2 is determined by reference to the pro rata share by external parties of the net assets value of certain exchange traded fund, which is a subsidiary of the Group. The sharing ratio is derived from the number of outstanding shares held by the external parties as at the reporting date.

Valuation technique and input used in Level 3 fair value measurements

	Valuation technique	**Significant unobservable input**
Available-for-sale investment fund	**Discounted cash flow method**	**Discount rate**

The movements in fair value measurements in Level 3 during the six months ended 30th September, 2013 are as follows:

	Available-for-sale investment fund *HK$'000*	**Derivative financial instruments** *HK$'000*	**Financial asset at fair value through profit or loss designated as such upon initial recognition** *HK$'000*	**Financial liability at fair value through profit or loss designated as such upon initial recognition** *HK$'000*
At 1st April, 2013	**4,584**	**7,275**	**217,905**	**(98,919)**
Total losses recognised in the income statement	**—**	**(7,275)**	**—**	**(524)**
Total losses recognised in other comprehensive income	**(538)**	**—**	**—**	**—**
Disposals	**(349)**	**—**	**(217,905)**	**99,443**
At 30th September, 2013	**3,697**	**—**	**—**	**—**

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

21. Event after the Reporting Period

In October 2013, the Company entered into a conditional agreement for the disposal of the entire issued share capital of Tecwell Limited, an indirect wholly-owned subsidiary of the Company, for a consideration of approximately HK$843.5 million (subject to adjustment, if any) (the "Disposal") to OUE Eastern Limited, a wholly-owned subsidiary of OUE Commercial Real Estate Investment Trust (formerly known as OUE Commercial Trust and which units are proposed to be listed on Singapore Exchange Securities Trading Limited). Tecwell Limited holds a majority portion of Lippo Plaza located in Shanghai, the People's Republic of China, through its wholly-owned subsidiary.

The net proceeds from the Disposal, after deducting expenses and related taxes attributable to the Disposal, are currently expected to be applied by the Company as to (i) for general corporate purposes of the Group, including investments and capital expenditure; and (ii) subject to, among others, the completion of the Disposal, for payment of a conditional special dividend (subject to shareholders' approval).

The Disposal has not completed as of the date of the approval of these interim financial statements.

Pursuant to a resolution of the Board of Directors passed on 28th December, 2012, the Company's financial year end date was changed from 31st December to 31st March. Accordingly, these interim financial statements cover a six-month period from 1st April, 2013 to 30th September, 2013, and the comparative figures cover a six-month period from 1st January, 2012 to 30th June, 2012 ("2012").

For the six months ended 30th September, 2013, the Group reported a profit attributable to shareholders of HK$159 million (2012 — HK$413 million), benefited from the realisation of available-for-sale financial assets. The decrease in profit was mainly due to the non-recurrence of significant fair value gains on investment properties for the six months ended 30th September, 2013 as compared with 2012.

Results for the Financial Period

Auric Pacific Group Limited ("Auric") and Asia Now Resources Corp. ("Asia Now") were previously regarded as associates of the Group. Following the adoption of Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements" by the Group from 1st April, 2013 onwards, both are treated as subsidiaries of the Group. Auric is a company listed in Singapore and is principally engaged in food businesses. Asia Now is a company listed in Canada and is engaged in the business of exploration of mineral deposits. Their results and financial position are consolidated in the Group's financial statements with retrospective adjustments on prior period figures.

Turnover for the six months ended 30th September, 2013 totalled HK$1,414 million (2012 — HK$1,287 million, restated). Property investment and food businesses were the principal sources of revenue of the Group, representing 96 per cent. (2012 — 99 per cent., restated) of the total turnover.

Property investment

Property investment business continued to provide stable and recurring rental income to the Group. Total segment revenue from the property investment business for the six months ended 30th September, 2013 amounted to HK$111 million (2012 — HK$114 million), mainly contributed by Lippo Centre in Hong Kong and Lippo Plaza in Shanghai, being the landmarks of the Group in Hong Kong and in mainland China respectively. The Group recorded revaluation loss on its investment properties of HK$10 million for the period (2012 — gain of HK$503 million) which leaded to the segment profit decreasing to HK$72 million (2012 — HK$618 million).

The Group undertakes strategic reviews of its assets from time to time with a view to maximising returns to its shareholders. In October 2013, the Company proposed to dispose its entire interest in Lippo Plaza in Shanghai to a real estate investment trust proposed to be listed in Singapore (OUE Commercial Real Estate Investment Trust) (the "Disposal"), with more details mentioned under the section headed "Business review".

Property development

The Group primarily focuses on property development projects in mainland China and participated in development projects in Huai An City (the "Huai An Project") and Taizhou City (the "Taizhou Project"), both in Jiangsu Province. Huai An Project will be developed into an integrated residential, commercial and retail complex, whereas Taizhou Project is a residential project comprising townhouses and residential apartments. Constructions are expected to be commenced soon.

The segment loss for the six months ended 30th September, 2013 amounted to HK$6 million (2012 — HK$3 million), mainly came from the pre-operating costs incurred during the period.

Food businesses

The Group's food businesses are mainly operated by Auric and its subsidiaries (the "APG Group"), which in turn has a controlling stake in Food Junction Holdings Limited ("Food Junction"), both are listed companies in Singapore.

During the period, food businesses segment recorded a revenue of HK$1,257 million (2012 — HK$1,167 million, restated), mainly from wholesale and distribution of fast-moving consumer goods and the food retail operations in chains of bakeries, cafes and bistros. Although higher sales were generated from existing and new agencies, the operating environment remains challenging with operating costs increasing as a result of rising costs for labour, rental and raw materials. The food businesses segment recorded a loss of HK$4 million (2012 — profit of HK$24 million, restated). The Group will remain focused on its core business and expand its business operations cautiously.

APG Group held 60 per cent. of the total issued redeemable preference shares ("RPS") and the sole share in Auric Pacific Real Estate Fund (the "Fund"), a private equity fund sponsored by the APG Group. In 2010, the Fund acquired a mezzanine loan of approximately HK$218 million owing from a third party (the "Previous Lender"), which was secured by a piece of land. There was a default by the borrower of the mezzanine loan in 2012. After extensive negotiations, the issue was resolved by the purchase of all the RPS held by the Fund and ordinary share held under the APG Group to the indirect holding company of the Previous Lender and settlement of all the overdue interest (save for default interests). The disposal was completed in May 2013 and the APG Group received consideration of approximately HK$131 million, being approximately 60 per cent. of the outstanding principal amount of the mezzanine loan, the sole investment of the Fund. As a result, the financial assets at fair value through profit or loss and the other financial liabilities under the current portion decreased to HK$217 million (31st March, 2013 — HK$520 million, restated) and HK$18 million (31st March, 2013 — HK$135 million, restated), respectively.

In June 2013, the APG Group made a voluntary unconditional cash offer to acquire all the issued and paid up ordinary shares in the capital of Food Junction, other than treasury shares and those already owned, controlled or agreed to be acquired by the APG Group, at an offer price of S$0.255 in cash for each share (the "Offer"). The Offer was closed on 14th August, 2013. Up to 1st October, 2013, the APG Group held 95.7 per cent. of all the shares in Food Junction and the total consideration was approximately HK$71 million.

Treasury and securities investments

For the six months ended 30th September, 2013, treasury and securities investments businesses recorded a revenue of HK$40 million (2012 — HK$2 million, restated), mainly attributable to the disposal of the Group's financial assets held for trading. The Group cautiously managed its investment portfolio and looked for opportunities to realise its profit. During the six months ended 30th September, 2013, the Group sold certain available-for-sale financial assets and realised a gain of HK$132 million (2012 — Nil).

The investment market continues to be challenging and full of uncertainties and unrealised fair value loss was recorded. The treasury and securities investments business recorded a profit of HK$102 million (2012 — loss of HK$14 million).

Other businesses

Other businesses mainly comprise mineral exploration, extraction and processing, money lending and the provision of property management services. The other businesses segment reported a loss of HK$2 million for the six months ended 30th September, 2013 (2012 — HK$7 million, restated), with turnover of HK$12 million (2012 — HK$8 million).

Financial Position

As at 30th September, 2013, the Group's total assets decreased to HK$8.9 billion (31st March, 2013 — HK$9.3 billion, restated). Property-related assets increased to approximately HK$5.3 billion (31st March, 2013 — HK$5.1 billion), representing 60 per cent. (31st March, 2013 — 55 per cent., restated) of the total assets. Total liabilities decreased to HK$3.3 billion (31st March, 2013 — HK$3.6 billion, restated), mainly due to the repayment of bank loans. The Group's financial position remained healthy.

As at 30th September, 2013, the bank loans and other borrowings of the Group decreased to HK$1.9 billion (31st March, 2013 — HK$2.0 billion, restated). The bank loans amounted to HK$1.9 billion as at 30th September, 2013 (31st March, 2013 — HK$2.0 billion, restated), which were denominated in Hong Kong dollars, Renminbi and Malaysian Ringgit. Approximately 98 per cent. (31st March, 2013 — 98 per cent., restated) of the bank loans were secured by certain properties and certain bank deposits. Where appropriate, the Group uses interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure. As at 30th September, 2013, approximately 41 per cent. (31st March, 2013 — 37 per cent., restated) of the Group's bank borrowings effectively carried fixed rate of interest and the remaining were at floating rates. The Group has obligations under finance leases for certain plant and equipment which amounted to HK$0.7 million as at 30th September, 2013 (31st March, 2013 — HK$0.9 million, restated). These obligations are secured by the rights to the leased plant and equipment. As at 30th September, 2013, approximately 24 per cent. (31st March, 2013 — 6 per cent., restated) of the total bank and other borrowings were repayable within one year. At the end of the reporting period, the gearing ratio (measured as total borrowings, net of non-controlling interests, to shareholders' funds) was 38.4 per cent. (31st March, 2013 — 42.4 per cent., restated).

The net asset value of the Group remained strong and amounted to HK$4.8 billion (31st March, 2013 — HK$4.8 billion). This was equivalent to HK52 cents per share (31st March, 2013 — HK52 cents per share).

The Group monitors the relative foreign exchange position of its assets and liabilities to minimise foreign currency risk. The Group has entered into forward contracts to manage exposures to fluctuations of foreign exchange rates. When appropriate, additional hedging instruments including forward contracts, swap and currency loans would be used to manage the foreign exchange exposure.

As at 30th September, 2013, the Group had bankers' guarantees of approximately HK$44 million (31st March, 2013 — HK$44 million, restated) issued in lieu of rental, security and utility deposits for the premises used for operation of food businesses. Approximately 84 per cent. (31st March, 2013 — 93 per cent., restated) of the bankers' guarantees were secured by certain bank deposits of the Group. Aside from the abovementioned, the Group had no material contingent liabilities outstanding as at 30th September, 2013 (31st March, 2013 — Nil). Apart from the abovementioned, there were no charges on the Group's assets at the end of the period (31st March, 2013 — Nil).

As at 30th September, 2013, the Group's total capital commitment amounted to HK$213 million (31st March, 2013 — HK$122 million, restated), mainly related to the property development projects of the Group. The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

Staff and Remuneration

The Group had 3,089 employees as at 30th September, 2013 (30th June, 2012 — 2,954 employees, restated). Staff costs (including directors' emoluments) charged to the income statement during the period amounted to HK$268 million (2012 — HK$225 million, restated). Certain employees of Asia Now were granted options under the share option scheme of Asia Now. The Group ensures that its employees are offered competitive remuneration packages.

Outlook

The global economic environment has stabilised since last year but it is still overshadowed by a considerable uncertainty. The Group is seeking to streamline and strengthen its existing business to meet the challenges ahead. With the increase in working capital after the Disposal, the Group will continue to cautiously manage its investment portfolio in view of the market conditions and its business needs with a view to maximising returns to the shareholders of the Company.

Business Review

Overview

With the slow global economic recovery and stabilisation of the eurozone debt crisis starting to show some positive results, the major stock markets in U.S. and Europe began to rebound from the second half of 2012, continuing into the first three quarters of 2013. However, overall, the strength of economic recovery was visibly weak. Other than the old challenges, the global economy had to face new uncertainties and concerns over the possible economic impact of the proposed "tapering" or gradual withdrawal by the U.S. Federal Reserve of its quantitative easing program. On the positive side, amidst the continuing low interest rate and surplus funds environment, the major economies in the Asia region were able to sustain their growth momentum, with mainland China continuing its growth in GDP of approximately 7.7 per cent. for the first three quarters of 2013.

Results

Following the adoption of Hong Kong Financial Reporting Standard 10 entitled "Consolidated Financial Statements" for the financial year commencing on 1st April, 2013, Auric Pacific Group Limited ("Auric", together with its subsidiaries, the "APG Group") and Asia Now Resources Corp. ("Asia Now", together with its subsidiaries, the "Asia Now Group") and their respective subsidiaries have been classified from associates to subsidiaries of the Company with effect from 1st April, 2013. Accordingly, the results, assets and liabilities of the APG Group and Asia Now Group have been consolidated into the financial statements of the Group for the six months ended 30th September, 2013 (the "Current Period"). During the Current Period, the Group recorded a profit attributable to shareholders of approximately HK$159 million, when compared to a profit of approximately HK$413 million for the six months ended 30th June, 2012 (the "Last Period"). The decrease in profit was mainly attributable to the non-recurrence of significant fair value gains on investment properties for the Current Period as compared with the Last Period.

The Group's investment properties enjoyed a satisfactory occupancy rate for the Current Period. Rental income from the investment properties continued to provide the Group with stable recurrent income. The Group undertakes strategic review of the Group's assets from time to time for maximizing returns to its shareholders which may include a possible sale of certain properties held for investment purposes. In October 2013, the Company entered into an agreement for the disposal of the entire issued share capital of Tecwell Limited (the "Disposal") which, through its wholly-owned subsidiary, owns the properties at Lippo Plaza in Shanghai with a total gross floor area of approximately 58,522 square metres, for a cash consideration of approximately HK$843.5 million (subject to adjustment, if any), to a subsidiary of OUE Commercial Real Estate Investment Trust ("OUE C-REIT", formerly known as OUE Commercial Trust). The Disposal is conditional upon, amongst other things, the approval of independent shareholders of the Company, and the completion of the initial public offering and the listing of the units in OUE C-REIT on Singapore Exchange Securities Trading Limited (the "SGX-ST"). In order to distribute the excess cash as a return to the shareholders, on 4th November, 2013, the board of directors of the Company declared a conditional special dividend of HK3.5 cents per share (the "Conditional Special Dividend"), amounting to a total of approximately HK$321.5 million to the shareholders of the Company. The Conditional Special Dividend is subject to the approval of the shareholders of the Company and the completion of the Disposal taking place. The net proceeds from the Disposal after deducting expenses and related taxes attributable to the Disposal are estimated to be approximately HK$755.3 million (subject to adjustment and audit) which are currently expected to be applied by the Company as to approximately HK$433.8 million for its general corporate purposes, including investments and capital expenditure and approximately HK$321.5 million for payment of the Conditional Special Dividend.

The Group has two major development projects in Jiangsu Province, mainland China. The project situated in Huai An City (the "Huai An Project") will be developed into an integrated residential, commercial and retail complex with a total gross floor area of approximately 250,000 square metres on a site of approximately 41,000 square metres. The Huai An Project is well-located in the central business district of Qing He District which itself is the political, commercial, business, financial and cultural centre of Huai An City. Another project is located in China Medical City (中國醫藥城) ("CMC"), Taizhou City (the "Taizhou Project") with a site of approximately 81,000 square metres and a total gross floor area of approximately 220,000 square metres. The Taizhou Project is a residential development comprising townhouses and residential apartments. CMC is the only national level development zone focused on high-tech medical related industries in mainland China. Construction work planning for each of the Huai An Project and the Taizhou Project is in progress and test piling for both projects has commenced. The above two projects strengthen the Group's strategic growth in property development business.

Auric, a listed company in Singapore in which the Group is interested in approximately 49.3 per cent. of its issued share capital, has become a subsidiary of the Company with effect from 1st April, 2013. Auric recorded a loss attributable to shareholders of approximately S$1,231,000 for the Current Period, as compared with a profit of S$3,149,000 for the Last Period. Rising raw materials and operating costs have eroded the APG Group's gross margins. The APG Group is committed to improve its profitability by rationalizing costs and improving operational efficiency. In June 2013, a wholly-owned subsidiary of Auric (the "Offeror") made a voluntary unconditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Food Junction Holdings Limited ("Food Junction"), other than treasury shares and those already owned, controlled or agreed to be acquired by the APG Group, at an offer price of S$0.255 in cash for each share (the "Offer"). Auric believes that there are synergistic benefits to be derived by increasing its stake in Food Junction, the current portfolio of which consisting of food courts and restaurants will complement Auric's existing portfolio, and the increase in the sharing of resources relating to marketing and operations between both Auric and Food Junction will contribute to the growth of both companies. The APG Group held approximately 61.4 per cent. interest in Food Junction when the Offer was made. The Offer was closed on 14th August, 2013. As at the close of the Offer, the APG Group was interested in approximately 93.1 per cent. of the issued share capital in Food Junction. The remaining shareholders of Food Junction have a right to require the Offeror to purchase their shares in Food Junction on the same terms as those applicable under the Offer including the Offer price. Such remaining shareholders may exercise their right from 28th August, 2013 to 28th November, 2013 (or such later date as the Offeror may notify in writing). Up to 1st October, 2013, Food Junction's remaining shareholders of approximately 2.6 per cent. have exercised their rights, and the APG Group was then interested in approximately 95.7 per cent. of the issued share capital in Food Junction. In August 2013, an application was made by the Offeror to delist the shares in Food Junction from the SGX-ST after the process to acquire the shares from the remaining shareholders is completed. The SGX-ST had in September 2013 stated that it had no objection to the delisting of Food Junction subject to certain conditions to be fulfilled by Food Junction and the Offeror.

Asia Now, in which the Group is interested in approximately 49.9 per cent. of its issued share capital, has become a subsidiary of the Company with effect from 1st April, 2013. After years of studies, surveys and drillings, Asia Now has scaled down its scale of surveys and drillings. The Asia Now Group is now focused on the concessions, totalling approximately 89 square kilometres, with a total area of approximately 58 square kilometres for two concessions in Habo, Yunnan Province and a total area of approximately 31 square kilometres for the concession in Beiya, Yunnan Province. Asia Now is listed on the TSX Venture Exchange of Canada, and is primarily engaged in the business of exploration of mineral deposits in mainland China.

Prospects

Though there are strong signs that the global economy has picked up gradually, the proposed phased withdrawal by the U.S. Federal Reserve of its quantitative easing program and the uncertainty arising from the yet to be resolved U.S. debt default crisis will undoubtedly affect the pace of the economic recovery in U.S. and elsewhere. Against this backdrop, the Group will continue to streamline and strengthen its existing businesses and operations to meet the challenges ahead. Management will continue to adopt a cautious and prudent approach in selecting suitable investment opportunities to enhance shareholders' value.

Interim Dividend

The Directors have resolved to declare the payment of an interim dividend of HK0.2 cent per share (For the six months ended 30th June, 2012 — HK0.3 cent per share) amounting to approximately HK$18.4 million for the six months ended 30th September, 2013 (For the six months ended 30th June, 2012 — approximately HK$27.6 million), which will be paid on or about Monday, 10th February, 2014 to shareholders whose names appear on the Register of Members on Thursday, 30th January, 2014.

Closure of Register of Members

The Register of Members of the Company will be closed from Monday, 27th January, 2014 to Thursday, 30th January, 2014 (both dates inclusive) during which period no transfer of share will be registered. In order to qualify for the interim dividend for the six months ended 30th September, 2013, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrar, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 24th January, 2014.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations

As at 30th September, 2013, the interests or short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on the Stock Exchange (the "Model Code"), were as follows:

Interests in shares and underlying shares of the Company and associated corporations

Name of Director	Personal interests (held as beneficial owner)	Family interests (interest of spouse)	Other interests	Total interests	Approximate percentage of total interests in the issued share capital
Number of ordinary shares of HK$0.10 each in the Company					
Stephen Riady	—	—	6,544,696,389 *Notes (i) and (ii)*	6,544,696,389	71.24
Number of ordinary shares of HK$0.10 each in Lippo Limited ("Lippo")					
Stephen Riady	—	—	319,322,219 *Note (i)*	319,322,219	64.75
John Luen Wai Lee	1,031,250	—	—	1,031,250	0.21
Number of ordinary shares of HK$1.00 each in Hongkong Chinese Limited ("HKC")					
Stephen Riady	—	—	1,121,517,842 *Notes (i) and (iii)*	1,121,517,842	56.12
John Luen Wai Lee	2,000,270	270	—	2,000,540	0.10
King Fai Tsui	600,000	75,000	—	675,000	0.03

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations *(Continued)*

Interests in shares and underlying shares of the Company and associated corporations *(Continued)*

Note:

(i) As at 30th September, 2013, Lippo Capital Limited ("Lippo Capital"), an associated corporation (within the meaning of Part XV of the SFO) of the Company, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in an aggregate of 319,322,219 ordinary shares of HK$0.10 each in, representing approximately 64.75 per cent. of the issued share capital of, Lippo. Lanius Limited ("Lanius"), an associated corporation (within the meaning of Part XV of the SFO) of the Company, is the holder of 705,690,001 ordinary shares of HK$1.00 each in, representing the entire issued share capital of, Lippo Capital. Lanius is the trustee of a discretionary trust which was founded by Dr. Mochtar Riady, who does not have any interest in the share capital of Lanius. The beneficiaries of the trust included, inter alia, Mr. Stephen Riady and other members of the family. Mr. Stephen Riady was taken to be interested in Lippo Capital under the provisions of the SFO.

(ii) As at 30th September, 2013, Lippo was indirectly interested in 6,544,696,389 ordinary shares of HK$0.10 each in, representing approximately 71.24 per cent. of the issued share capital of, the Company.

(iii) As at 30th September, 2013, Lippo was indirectly interested in 1,121,517,842 ordinary shares of HK$1.00 each in, representing approximately 56.12 per cent. of the issued share capital of, HKC.

For the reasons outlined above, through his deemed interests in Lippo Capital as mentioned in Note (i) above, Mr. Stephen Riady was also taken to be interested in the share capital of the following associated corporations (within the meaning of Part XV of the SFO) of the Company:

Name of associated corporation	Class of shares	Number of shares interested	Approximate percentage of interest in the issued share capital
Abital Trading Pte. Limited	Ordinary shares	2	100
Blue Regent Limited	Ordinary shares	100	100
Boudry Limited	Ordinary shares	10	100
	Non-voting deferred shares	1,000	100
Broadwell Overseas Holdings Limited	Ordinary shares	1	100
First Tower Corporation	Ordinary shares	1	100
Grand Peak Investment Limited	Ordinary shares	2	100
Great Honor Investments Limited	Ordinary shares	1	100
Greenorth Holdings Limited	Ordinary shares	1	100
Honix Holdings Limited	Ordinary shares	1	100
J & S Company Limited	Ordinary shares	1	100

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations *(Continued)*

Interests in shares and underlying shares of the Company and associated corporations *(Continued)*

Name of associated corporation	Class of shares	Number of shares interested	Approximate percentage of interest in the issued share capital
Kingaroy Limited	Ordinary shares	1	100
Lippo Assets (International) Limited	Ordinary shares	1	100
	Non-voting deferred shares	15,999,999	100
Lippo Finance Limited	Ordinary shares	6,176,470	82.35
Lippo Investments Limited	Ordinary shares	2	100
Lippo Realty Limited	Ordinary shares	2	100
Multi-World Builders & Development Corporation	Ordinary shares	4,080	51
SCR Ltd.	Ordinary shares	1	100
Skyscraper Realty Limited	Ordinary shares	10	100
The HCB General Investment (Singapore) Pte Ltd.	Ordinary shares	100,000	100
Times Grand Limited	Ordinary shares	1	100
Valencia Development Limited	Ordinary shares	800,000	100
	Non-voting deferred shares	200,000	100
Winroot Holdings Limited	Ordinary shares	1	100

As at 30th September, 2013, Mr. Stephen Riady, as beneficial owner and through his nominee, was interested in 5 ordinary shares of HK$1.00 each in, representing approximately 16.67 per cent. of the issued share capital of, Lanius which is the holder of the entire issued share capital of Lippo Capital. Lanius is the trustee of a discretionary trust which was founded by Dr. Mochtar Riady (father of Mr. Stephen Riady), who does not have any interest in the share capital of Lanius. The beneficiaries of the trust included, inter alia, Mr. Stephen Riady and other members of the family.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations *(Continued)*

Interests in shares and underlying shares of the Company and associated corporations *(Continued)*

As at 30th September, 2013, Mr. Stephen Riady was interested in 27,493,311 ordinary shares in Auric Pacific Group Limited ("Auric"), an associated corporation (within the meaning of Part XV of the SFO) of the Company, held by Goldstream Capital Limited, which in turn is a wholly-owned subsidiary of Bravado International Ltd. ("Bravado"). Mr. Stephen Riady is the beneficial owner of the entire issued capital of Bravado. For the reasons mentioned above, through his deemed interest in Lippo Capital, Mr. Stephen Riady was also taken to be interested in 61,927,335 ordinary shares in Auric. Accordingly, Mr. Stephen Riady was interested and taken to be interested in an aggregate of 89,420,646 ordinary shares in, representing approximately 71.16 per cent. of the issued share capital of, Auric.

As at 30th September, 2013, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

All the interests stated above represent long positions. Save as disclosed herein, as at 30th September, 2013, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at 30th September, 2013, none of the Directors or chief executive of the Company nor their spouses or minor children (natural or adopted) were granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Interests and Short Positions of Shareholders Discloseable under the Securities and Futures Ordinance

As at 30th September, 2013, so far as is known to the Directors of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") as follows:

Interests of substantial shareholders in shares of the Company

Name	Number of ordinary shares of HK$0.10 each	Approximate percentage of the issued share capital
Lippo Limited ("Lippo")	6,544,696,389	71.24
Lippo Capital Limited ("Lippo Capital")	6,544,696,389	71.24
Lanius Limited ("Lanius")	6,544,696,389	71.24
Dr. Mochtar Riady	6,544,696,389	71.24
Madam Lidya Suryawaty	6,544,696,389	71.24

Note:

1. 6,544,696,389 ordinary shares of the Company were held by Skyscraper Realty Limited directly as beneficial owner which in turn is a wholly-owned subsidiary of First Tower Corporation ("First Tower"). First Tower is a wholly-owned subsidiary of Lippo. Lippo Capital, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in ordinary shares representing approximately 64.75 per cent. of the issued share capital of Lippo.

2. Lanius is the holder of the entire issued share capital of Lippo Capital and is the trustee of a discretionary trust which was founded by Dr. Mochtar Riady, who does not have any interest in the share capital of Lanius. Dr. Mochtar Riady and his wife Madam Lidya Suryawaty were taken to be interested in the shares of the Company under the provisions of the SFO.

3. Lippo's interests in the ordinary shares of the Company were recorded as the interests of Lippo Capital, Lanius, Dr. Mochtar Riady and Madam Lidya Suryawaty. The above 6,544,696,389 ordinary shares in the Company related to the same block of shares that Mr. Stephen Riady was interested, details of which are disclosed in the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations".

All the interests stated above represent long positions. Save as disclosed herein, as at 30th September, 2013, none of the substantial shareholders or other persons (other than the Directors or chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Share Option Schemes

Details of the share option schemes of the Company and its subsidiary are disclosed in Note 15 to the interim financial statements.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30th September, 2013, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

Audit Committee

The Company has established an audit committee (the "Committee"). The existing members of the Committee comprise three independent non-executive Directors, namely Mr. Victor Ha Kuk Yung (Chairman), Mr. Edwin Neo and Mr. King Fai Tsui and one non-executive Director, Mr. Leon Nim Leung Chan. The Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited consolidated interim financial statements of the Company for the six months ended 30th September, 2013.

Corporate Governance

The Company is committed to ensuring high standards of corporate governance practices. The Board of Directors of the Company (the "Board") believes that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. Corporate governance requirements keep changing, therefore the Board reviews its corporate governance practices from time to time to ensure they meet public and shareholders' expectation, comply with legal and professional standards and reflect the latest local and international developments. The Board will continue to commit itself to achieving a high quality of corporate governance so as to safeguard the interests of shareholders and enhance shareholders' value.

To the best knowledge and belief of the Directors, the Directors consider that, save as disclosed below, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the six months ended 30th September, 2013. Under the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should also attend general meetings. One of the independent non-executive Directors of the Company was unable to attend the annual general meeting of the Company held on 30th August, 2013 as he was travelling overseas and not contactable at that time due to communication problem.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as the code for securities transactions by Directors. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code during the period under review.

By Order of the Board
Lippo China Resources Limited
John Luen Wai Lee
Chief Executive Officer

Hong Kong, 27th November, 2013

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Stephen Riady *(Chairman)*
Mr. John Luen Wai Lee, BBS, JP
(Chief Executive Officer)

Non-executive Director

Mr. Leon Nim Leung Chan

Independent non-executive Directors

Mr. Edwin Neo
Mr. King Fai Tsui
Mr. Victor Ha Kuk Yung

COMMITTEES

Audit Committee

Mr. Victor Ha Kuk Yung *(Chairman)*
Mr. Leon Nim Leung Chan
Mr. Edwin Neo
Mr. King Fai Tsui

Remuneration Committee

Mr. King Fai Tsui *(Chairman)*
Mr. Leon Nim Leung Chan
Mr. Victor Ha Kuk Yung
Mr. Edwin Neo
Mr. Stephen Riady

Nomination Committee

Mr. King Fai Tsui *(Chairman)*
Mr. Leon Nim Leung Chan
Mr. Victor Ha Kuk Yung
Mr. Edwin Neo
Mr. Stephen Riady

SECRETARY

Ms. Millie Yuen Fun Luk

AUDITORS

Ernst & Young

PRINCIPAL BANKERS

Standard Chartered Bank
China CITIC Bank International Limited
Fubon Bank (Hong Kong) Limited
Chong Hing Bank Limited

SOLICITORS

Howse Williams Bowers

REGISTRAR

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