



Lippo Limited
力寶有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 226)

2013/2014
ANNUAL REPORT

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Corporate Information

HONORARY CHAIRMAN*

Dr. Mochtar Riady

BOARD OF DIRECTORS

Executive Directors

Dr. Stephen Riady (*Chairman*)

Mr. John Luen Wai Lee, BBS, JP

(*Managing Director and Chief Executive Officer*)

Mr. Jark Pui Lee, SBS, OBE, JP

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

Dr. Stephen Riady

Nomination Committee

Mr. King Fai Tsui (*Chairman*)

Mr. Leon Nim Leung Chan

Mr. Victor Ha Kuk Yung

Mr. Edwin Neo

Dr. Stephen Riady

SECRETARY

Mr. Davy Kwok Fai Lee

AUDITORS

Ernst & Young

PRINCIPAL BANKERS

China CITIC Bank International Limited

Chong Hing Bank Limited

Fubon Bank (Hong Kong) Limited

Bank of Beijing Co., Ltd.

The Bank of East Asia, Limited

Standard Chartered Bank

SOLICITORS

Howse Williams Bowers

REGISTRAR

Tricor Progressive Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

REGISTERED OFFICE

24th Floor, Tower One

Lippo Centre

89 Queensway

Hong Kong

STOCK CODE

226

WEBSITE

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* non-officer position

Chairman's Statement

I am pleased to present the annual report of the Company for the year ended 31st March, 2014.

BUSINESS REVIEW

The U.S. economy performed better with stronger private consumption, business investment and export. The Eurozone economy managed to get out of recession but the recovery pace remains slow and fragile. Emerging economies have been affected by the developed economies. The kick-off of the tapering by the U.S. Federal Reserve of its quantitative easing program has resulted in capital outflows and market and currency turmoil in some of the emerging economies. Central banks such as the U.S. Federal Reserve have been supporting economic growth by keeping interest rates low. Amidst the continuing low interest rate and surplus funds environment, the major economies in Asia were able to sustain their growth momentum. Mainland China continued to maintain its growth in GDP of approximately 7.7 per cent. for the year 2013 but the economy slightly slowed down in the first quarter of 2014.

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. 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 year ended 31st March, 2014 (the "Year"). During the Year, the Group recorded a consolidated profit attributable to shareholders of approximately HK\$112.2 million, when compared to a loss of approximately HK\$10 million for the fifteen months ended 31st March, 2013 (the "Last Period"). The profit for the Year was mainly attributable to the recognition of the profit arising from the disposal of properties at the Group's property development project at 北京經濟技術開發區 (Beijing Economic-Technological Development Area) in Beijing (the "BDA Project") and the share of profit arising from the disposal of properties of the "Centennia Suites", a property development project in Singapore held by the Group's joint venture, both of which were completed in the Year. For the same reasons, Hongkong Chinese Limited ("HKC", together with its subsidiaries, the "HKC Group"), a 56.1 per cent. listed subsidiary of the Company, achieved better results for the Year. HKC recorded a consolidated profit attributable to shareholders of approximately HK\$313.6 million for the Year, as compared to a consolidated loss of approximately HK\$209.5 million for the Last Period. Lippo China Resources Limited ("LCR", together with its subsidiaries, the "LCR Group"), a 71.2 per cent. listed subsidiary of the Company, recorded a consolidated profit attributable to shareholders of approximately HK\$124.4 million for the Year, as compared with a consolidated profit of approximately HK\$293.4 million for the Last Period.

The Group undertakes strategic review of its 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, LCR 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 to a subsidiary of OUE Commercial Real Estate Investment Trust (the "OUE C-REIT"). The Disposal was completed in January 2014 for a final cash consideration of approximately HK\$833.7 million. In order to distribute the excess cash as a return to its shareholders, on 4th November, 2013, the board of directors of LCR (the "LCR Board") declared a conditional special dividend of HK3.5 cents per share (the "LCR Special Dividend"), amounting to a total of approximately HK\$321.5 million to the shareholders of LCR. The LCR Special Dividend became unconditional upon the completion of the Disposal and was paid on 5th March, 2014.

In February 2014, the LCR Group entered into a sale and purchase agreement for the disposal of its interest in the entire office on 42nd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong. Such disposal was completed in April 2014 for an aggregate consideration of approximately HK\$282.6 million.

BUSINESS REVIEW *(continued)*

The LCR Group has two major development projects in Jiangsu Province, mainland China. The project situated in Huai An City 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. Another project is located in China Medical City (中國醫藥城), 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. Construction work planning for both projects commenced during the Year.

The development of the BDA Project, in which the HKC Group has 80 per cent. interest, was completed in the third quarter of 2013. The BDA Project involves the development of an integrated residential, commercial and retail complex with a total gross floor area of about 275,000 square metres, including basements. The sale and handover of approximately 90 per cent. of the total saleable area of the BDA Project has been completed as at 31st March, 2014.

Superstructure works for the residential development "M Residences" at 83 Estrada de Cacilhas, Macau, in which the HKC Group has 100 per cent. interest, commenced in August 2013 and the topping-out ceremony took place in March 2014 whilst the interior fitting-out works are progressing well. "M Residences", with a site of approximately 3,398 square metres, is being developed into 311 residential units with a total saleable area of approximately 26,025 square metres. The above development is scheduled to be completed later in the next financial year. As at 31st March, 2014, about 96 per cent. of the total saleable area of the project has been pre-sold.

"Marina Collection", in which the HKC Group has 50 per cent. interest, is located at Sentosa Cove in Sentosa Island, Singapore. It has 124 high-end luxury waterfront residential units with a total saleable area of approximately 29,808 square metres. The development was completed in 2011. Up to 31st March, 2014, 89 units have been sold.

"Centennia Suites", a residential development at 100 Kim Seng Road, Singapore with a saleable area of approximately 16,182 square metres, was completed in the fourth quarter of 2013. All the 97 residential units in this project were pre-sold in 2010. The HKC Group has a 50 per cent. interest in this project. A share of profit from this project has been recognised in the Group's financial results for the Year.

As part of an internal group restructuring, Lippo ASM Asia Property Limited ("LAAPL"), a joint venture of HKC, was set up to hold the controlling stake in OUE Limited ("OUE", formerly known as Overseas Union Enterprise Limited, together with its subsidiaries, the "OUE Group"), a listed company in Singapore principally engaged in property investment and development and hotel operation. The HKC Group's economic interest in OUE remains unchanged after the above group restructuring. As at 31st March, 2014, LAAPL had an aggregate interest of approximately 68.02 per cent. in OUE (excluding treasury shares).

In June 2013, the OUE Group successfully completed the acquisition of the U.S. Bank Tower, a Class A office property located in the core of downtown Los Angeles and the tallest iconic building in California, U.S. Together with its interest in other well diversified and high quality properties such as One Raffles Place and OUE Downtown, the OUE Group has substantial and stable recurrent income stream.

BUSINESS REVIEW *(continued)*

In July 2013, the OUE Group completed the disposal of its entire interest in Mandarin Orchard Singapore ("Mandarin Orchard") and Mandarin Gallery to OUE Hospitality Trust ("OUE H-Trust"), a newly established real estate investment trust, at an aggregate consideration of S\$1,705 million. OUE retains its right to operate Mandarin Orchard and manage Mandarin Gallery. The consideration of the above disposal was settled in a combination of cash and stapled securities in OUE H-Trust. Concurrent with the completion of the above disposal, the listing of and commencement of trading of the stapled securities in the OUE H-Trust on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") took place on 25th July, 2013. OUE is the sponsor and long-term investor of OUE H-Trust. With the successful listing of OUE H-Trust and by retaining a stake in OUE H-Trust, it is expected that OUE will benefit from a stable and recurring income stream.

In November 2013, the board of directors of OUE proposed to declare a conditional distribution in specie of certain OUE H-Trust stapled securities held by OUE to its shareholders on the basis of one OUE H-Trust stapled security for every six shares of OUE (the "Distribution"). With completion of the Distribution on 31st March, 2014, OUE held approximately 33.9 per cent. of the total number of stapled securities units of OUE H-Trust in issue and LAAPL received approximately 7.9 per cent. of the total number of stapled securities units of OUE H-Trust in issue as at 31st March, 2014.

OUE C-REIT was listed on the SGX-ST on 27th January, 2014, about six months after the successful listing of OUE H-Trust. OUE Bayfront, an 18-storey office building in Singapore with its ancillary properties (the "OUE Bayfront Property") and the properties at Lippo Plaza in Shanghai comprise the initial portfolio of OUE C-REIT. The OUE Bayfront Property was disposed of by OUE to OUE C-REIT at a consideration of approximately S\$1,005 million and was paid in a combination of cash and units in the OUE C-REIT. Establishment of OUE C-REIT is in line with OUE's strategy to grow by leveraging on prime commercial assets to diversify and expand into new geographical area. As at 31st March, 2014, the OUE Group was interested in approximately 47.8 per cent. of the total number of OUE C-REIT units in issue.

Marketing of the development at 326 Woonbook-dong, Jung-gu, Incheon, Korea (the "MIDAN City Project"), in which the Group has approximately 38.5 per cent. interest, is in progress. The MIDAN City Project involves the development, construction and management of a residential, leisure and business complex with an approved total gross floor area of approximately three million square metres. The project is located in Incheon Free Economic Zone and will be completed in phases. It is intended to be a self-contained community with residential properties, shopping malls, hospital, schools, hotels and a business town.

In January 2013, the Group together with other joint venture partners (the "Consortium"), namely OUE and Caesars Entertainment Corporation ("Caesars"), a company listed on the NASDAQ Stock Market, entered into various agreements which established the terms on which the parties agreed to seek preliminary governmental approval (the "Preliminary Review Application") that would allow the parties to design, develop, construct and own an integrated resort located in Incheon, Korea which will include, inter alia, hotels and service apartments (the "IR Project"). The joint venture entity is intended to be owned by the Group as to 20 per cent. Following the Ministry of Culture, Sports and Tourism of the Republic of Korea ("MCST") declining the Preliminary Review Application on 19th June, 2013 and a resubmission of a further Preliminary Review Application by the Consortium to the MCST on 17th December, 2013 (the "Reapplication"), the Consortium received a favourable review with respect to the preliminary approval for the Reapplication from MCST in March 2014. The preliminary approval is subject to compliance with certain conditions. The IR Project is subject to the satisfaction of a number of conditions, including without limitation, the Group's entry into definitive agreements governing the IR Project with OUE and Caesars, the Consortium's compliance with preliminary approval conditions and the obtaining of third party financing, in each case on mutually agreeable terms and receipt of all regulatory permits and licences required for the development and operations of the IR Project in Korea.

BUSINESS REVIEW *(continued)*

Auric, a listed company in Singapore in which the LCR Group is interested in approximately 49.3 per cent. of its issued share capital, recorded a loss attributable to shareholders of approximately S\$23.3 million for the Year, as compared with a profit of S\$16.3 million for the Last Period. Such loss was a result of the allowances for the impairment losses on non-core and underperforming investments, and the consolidation of its retail business. 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") 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. Subsequently, Food Junction was delisted on 9th December, 2013 which paves the way for sharing marketing and operational resources within the APG Group. By combining the strengths of both Auric and Food Junction, the APG Group will be able to drive the growth of its retail function more effectively. Through delisting, the APG Group have reduced the compliance costs and honed Food Junction's competitive edge in the market, with the aim of increasing revenue and profitability.

Asia Now, in which the LCR Group is currently interested in approximately 50.3 per cent. of its issued share capital, is listed on the TSX Venture Exchange of Canada, and is primarily engaged in the business of exploration of mineral deposits in mainland China. Asia Now is now moving into the next stage of the development, which is to determine and qualify the mining method and economics. Geotechnical and engineering studies form part of this scope. Asia Now's primary focus is to quantify the economics and reduce costs while completing studies that shall determine the economic value of the deposits.

To enhance shareholders' value, LCR has engaged an external financial adviser (the "LCR Financial Adviser") to conduct a strategic review of the structure, assets and operations of the LCR Group (the "Strategic Review"). The LCR Financial Adviser conducted the Strategic Review by evaluating various alternatives and recommended a corporate sale of a controlling interest of the Company in LCR as a monetisation strategy to maximise realisable value and potential returns for all shareholders of LCR while potentially capturing a premium. The LCR Financial Adviser also considered a sale of individual assets as being potentially appropriate for maximising shareholder value in certain circumstances. After discussions with LCR, the board of directors of the Company (the "Board") concurs with the decision of the LCR Board to explore simultaneously a corporate sale of LCR through the sale of a controlling interest in LCR and a sale of certain individual assets to maximise the value to shareholders of LCR, and to this end, is expecting to explore such sales to potential purchasers of shares and/or assets of the LCR Group. The Board will work with the LCR Board on this matter, and the Board has appointed professional advisers to assist it in this regard. It is only in preliminary stage to explore such sales. Accordingly, there is no assurance that any agreement will ultimately be reached.

PROSPECTS

The global economy is expected to improve modestly, led by a sustained recovery in the U.S. and Eurozone economies. The U.S. economy, supported by rising private sector consumption, may perform comparatively better. However, the global economic environment remains uncertain. There are uncertainties over the pace at which the U.S. Federal Reserve will exit from its accommodative monetary policy. If the pace of normalization of the monetary policy quickens unexpectedly, financial markets may react adversely and dampen the recovery, especially the emerging markets. The continued tension in Ukraine, the political instability in Syria and Thailand and slow down of the economy of mainland China may drag the growth of the global economy. Recently, to bolster growth, the Chinese government announced that a series of modest stimulus measures including lowering reserve requirements for some banks would be implemented.

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 and explore ways to enhance shareholders' value.

ACKNOWLEDGEMENT

On behalf of the Board of Directors of the Company, I would like to express our gratitude to our shareholders and stakeholders for their support and patronage of the Group. I would also like to express my thankfulness to my fellow Directors, management and all staff members of the Group for their dedication and hard work. We would continue our efforts to create value for our shareholders and stakeholders.

Stephen Riady

Chairman

27th June, 2014

Discussion and Analysis of Results

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, the current financial year covers a twelve-month period from 1st April, 2013 to 31st March, 2014 (the "Current Year"), and the comparative figures cover a fifteen-month period from 1st January, 2012 to 31st March, 2013 (the "Last Period").

The Group reported a profit attributable to shareholders of HK\$112 million for the Current Year (the Last Period — loss of HK\$10 million). The profit for the year was mainly attributable to the recognition of profit arising from the sold units of the Group's property development project in Beijing which was completed during the Current Year.

RESULTS FOR THE YEAR

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 Current Year totalled HK\$6,732 million (the Last Period — HK\$3,536 million, restated). Property investment and development businesses as well as food businesses were the principal sources of revenue of the Group, representing 60 per cent. (the Last Period — 10 per cent., restated) and 37 per cent. (the Last Period — 85 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 Current Year amounted to HK\$208 million (the Last Period — HK\$297 million), mainly contributed by the rental income generated from the investment properties located in Hong Kong and mainland China.

The Group undertakes strategic reviews of its assets from time to time with a view to maximising returns to its shareholders. In January 2014, Lippo China Resources Limited ("LCR", a listed subsidiary of the Company) completed the disposal of a subsidiary, which owned interest in Lippo Plaza in Shanghai, to OUE Commercial Real Estate Investment Trust ("OUE C-REIT") for a final cash consideration of approximately HK\$833.7 million (the "Disposal") and recognised a gain on disposal of subsidiaries of HK\$204 million. OUE C-REIT is a listed real estate investment trust in Singapore which is under OUE Limited ("OUE", formerly known as Overseas Union Enterprise Limited, a principal joint venture of the Group listed in Singapore). As a result of the completion of the Disposal, the Group's investment properties decreased to approximately HK\$2.4 billion as at 31st March, 2014 (31st March, 2013 — HK\$4.7 billion).

In February 2014, the Group proposed to dispose of its interest in certain commercial properties in Hong Kong, at a total consideration of approximately HK\$283 million. The disposal was completed in April 2014.

In addition, the Group recorded net revaluation gains on its investment properties of HK\$47 million for the Current Year as compared with that of HK\$555 million for the Last Period. As a result, the segment profit for the Current Year decreased to HK\$396 million (the Last Period — HK\$850 million).

RESULTS FOR THE YEAR *(continued)*

Property investment *(continued)*

Lippo ASM Asia Property Limited (“LAAPL”), a principal joint venture of the Group, has a majority interest in OUE. OUE is a listed company in Singapore with assets across the commercial, hospitality, retail and residential sectors primarily in Singapore. During the Current Year, OUE acquired US Bank Tower, a Class A office property in downtown Los Angeles. In January 2014, OUE C-REIT was listed in Singapore with Lippo Plaza in Shanghai as mentioned above and OUE Bayfront as its initial portfolio. All these investments provide strong and recurring income stream to OUE.

In July 2013, OUE completed the disposal of its entire interest in Mandarin Orchard Singapore and Mandarin Gallery to OUE Hospitality Trust (“OUE H-Trust”), a newly established real estate investment trust listed in Singapore. OUE held substantial stake in OUE H-Trust upon listing and consolidated the results, assets and liabilities in the books of OUE. In March 2014, OUE made a distribution in specie of units of OUE H-Trust to its shareholders, with more details mentioned under the section headed “Chairman’s Statement”. After the distribution in specie, OUE H-Trust was deconsolidated in the books of OUE as a result of the reduction of OUE’s effective interest and a substantial gain (the “Gain”) relating to the disposal of subsidiaries was recognised. However, there was no substantial change of LAAPL’s effective interests in the OUE H-Trust through the receipt of units from the distribution in specie. Hence, LAAPL continues to consolidate the results, assets and liabilities of OUE H-Trust and the Gain was not shared by the Group in the Current Year. As a result, the Group registered a share of loss of HK\$527 million from the investment in LAAPL during the Current Year (the Last Period — HK\$282 million). The share of loss recognised during the year was mainly attributable to the provision made on the properties under development, the net fair value loss on investment portfolio and the finance costs incurred. The Group’s interest in the investment decreased to approximately HK\$7.8 billion (31st March, 2013 — HK\$8.2 billion), mainly attributable to the share of loss during the year.

Property development

The Group has participated in a number of well-located property development projects in mainland China, Macau, Singapore and other area of the Asia Pacific region.

In mainland China, construction of an integrated residential, commercial and retail complex at the Beijing Economic-Technological Development Area (the “BDA Project”) was completed in the third quarter of year 2013. Pre-sale has been launched since July 2011 and a substantial part of the residential units, office blocks and the retail mall have been sold before the completion. The sale and handover of approximately 90 per cent. of the total saleable area have been completed as at 31st March, 2014. As a result, for the Current Year, the segment recorded a revenue of HK\$3,844 million (the Last Period — HK\$78 million) and a profit of HK\$1,630 million (the Last Period — loss of HK\$63 million), respectively. As the BDA Project has been completed, the Group’s property under development decreased to HK\$1.2 billion as at 31st March, 2014 (31st March, 2013 — HK\$2.7 billion).

In Macau, main contract works of “M Residences”, a property development project, have commenced and are expected to be completed in the next financial year. Pre-sale has been launched since November 2011 and has received satisfactory response. About 96 per cent. of the saleable area of the residential units has been pre-sold as at 31st March, 2014 at a total consideration of approximately HK\$1.2 billion. The revenue and profit arising from the project will be reflected in the Group’s results in the year of completion.

The Group also participated in other 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. Construction work planning for both projects had commenced during the Current Year.

Discussion and Analysis of Results *(continued)*

RESULTS FOR THE YEAR *(continued)*

Property development *(continued)*

In Singapore, all the units for Centennia Suites, a joint venture property development project at Kim Seng Road, Singapore have been sold out during the pre-sale in 2010. Temporary occupation permit was obtained in October 2013 and handover was completed. As a result, the Group registered a share of profit of HK\$178 million from the investment during the Current Year.

The Group has interests in “Marina Collection” in Sentosa Cove, Singapore, a property development project carried out by an associate of the Group. For the Current Year, a further share of profit of HK\$35 million (the Last Period — HK\$125 million) was recorded from this project, mainly coming from the sale of properties.

The Group is interested in a development project at 326 Woonbook-dong, Jung-gu, Incheon, Korea (the “MIDAN City Project”). The MIDAN City Project is a comprehensive property project to be developed into a self-contained community with an approved total gross floor area of approximately three million square metres. The Group’s interest in the MIDAN City Project is 38.5 per cent. and the marketing and sale of the project is in progress.

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”).

During the Current Year, food businesses segment recorded a revenue of HK\$2,512 million (the Last Period — HK\$3,017 million, restated), mainly from wholesale and distribution of fast-moving consumer goods and the food retail operations in chains of bakeries, cafes and bistros. The operating environment remains challenging with rising cost for labour, rental and raw materials. Cost pressures on manpower and rental are not expected to ease in the immediate term. The APG Group conducted a business review exercise to streamline the non-performing businesses and to re-align the focus on building sustainable business growth and profit generation.

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 APG Group, at an offer price of S\$0.255 in cash for each share (the “Offer”). Following the completion of the Offer, Food Junction was delisted from the Singapore Exchange Securities Trading Limited on 9th December, 2013. As at 31st March, 2014, the APG Group held approximately 97.6 per cent. of the issued share capital in Food Junction. The total consideration for the purchase of additional interest in Food Junction was approximately HK\$69 million. The delisting of Food Junction can facilitate the APG Group to realign its resources for its business growth and enhance its operational efficiency.

Besides, the operation of several loss-making retail outlets was ceased during the Current Year. Certain costs relating to the closures, included provisions for impairment losses on intangible assets and fixed assets were recorded. As a result, food business reported a segment loss of HK\$137 million during the Current Year (the Last Period — HK\$20 million, restated).

RESULTS FOR THE YEAR *(continued)*

Food businesses *(continued)*

The 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 of this disposal and the provisions resulted from the business realignment mentioned above, the segment assets and segment liabilities decreased to HK\$1.9 billion (31st March, 2013 — HK\$2.2 billion, restated) and HK\$0.5 billion (31st March, 2013 — HK\$0.6 billion, restated), respectively.

Treasury and securities investments

Treasury and securities investments businesses recorded a revenue of HK\$99 million during the Current Year (the Last Period — HK\$53 million, restated), mainly attributable to the interest and dividend income received from the investment portfolio and 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 Current Year, the Group recognised a gain on disposal of available-for-sale financial assets of HK\$133 million (the Last Period — HK\$88 million, including the disposal of available-for-sale financial assets through the sale of a subsidiary which owned the financial assets).

The investment market continues to be challenging and full of uncertainties, unrealised fair value loss and impairment were recorded. Nevertheless, the treasury and securities investments businesses recorded a profit of HK\$147 million for the Current Year (the Last Period — HK\$68 million, restated).

Corporate finance and securities broking

Although there are signs of rebound of the major stock markets in U.S. and Europe, investors remain selective and vigilant in the highly volatile markets. The Group adopts a cautious and prudent approach in conducting its corporate finance and securities broking business. It registered a turnover of HK\$30 million for the Current Year (the Last Period — HK\$42 million) and the loss of this segment was HK\$6 million (the Last Period — HK\$15 million).

Banking business

The Macau Chinese Bank Limited (“MCB”), a licensed bank in Macau, is a wholly-owned subsidiary of Hongkong Chinese Limited (“HKC”, a listed subsidiary of the Company). MCB has been seeking new business opportunities and remains positive to enhance its competitiveness in the Macau banking sector. The segment recorded a turnover of HK\$19 million for the year (the Last Period — HK\$19 million) and registered a profit of HK\$2 million (the Last Period — HK\$0.6 million).

RESULTS FOR THE YEAR *(continued)*

Other businesses

Asia Now, primarily engages in the business of exploration of mineral deposits in Yunnan Province, mainland China, is currently focusing on the exploration of the site at Ma Touwan in Beiya. For the site at Habo, Yunnan Province, impairment of HK\$4 million (the Last Period — HK\$27 million) was made in the Current Year to reduce the carrying amount of the exploration and evaluation assets to its estimated recoverable amount.

The growth and recovery of the Group's various investments was hindered by the external uncertainties of the developed economies. Moreover, some of the investments concentrate on new products or businesses which are at the early development stage. Market acceptance and competitions from other competitors are uncertain and provision of approximately HK\$28 million (the Last Period — HK\$37 million) was made for the Current Year. As a result, the other business segment recorded a loss of HK\$48 million (the Last Period — HK\$114 million, including a loss on derecognition of associate of HK\$61 million).

FINANCIAL POSITION

As at 31st March, 2014, the Group's total assets decreased to HK\$20.0 billion (31st March, 2013 — HK\$24.3 billion, restated). Property-related assets decreased to HK\$12.8 billion (31st March, 2013 — HK\$18.5 billion), representing 64 per cent. (31st March, 2013 — 76 per cent., restated) of the total assets. Total liabilities decreased to HK\$4.5 billion (31st March, 2013 — HK\$8.5 billion, restated), mainly due to repayment of bank loans, transfer of the pre-sale proceeds received from the BDA Project to revenue upon completion of handover. The Group's financial position remained healthy.

As at 31st March, 2014, the bank and other borrowings of the Group (other than those attributable to banking business) decreased to HK\$1,341 million (31st March, 2013 — HK\$2,982 million, restated). The bank loans amounted to HK\$1,337 million as at 31st March, 2014 (31st March, 2013 — HK\$2,981 million, restated), which comprised secured bank loans of HK\$1,296 million and unsecured bank loans of HK\$41 million (31st March, 2013 — secured bank loans of HK\$2,948 million and unsecured bank loans of HK\$33 million, restated) and were denominated in Hong Kong dollars, Renminbi and Malaysian Ringgit. The secured bank loans were secured by certain properties, shares in certain subsidiaries and certain bank deposits of the Group.

Where appropriate, the Group uses interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure. As at 31st March, 2014, all of the Group's bank borrowings carried interest at floating rates (31st March, 2013 — 25 per cent. of the 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\$4 million as at 31st March, 2014 (31st March, 2013 — HK\$1 million, restated). These obligations are secured by the rights to the leased plant and equipment. As at 31st March, 2014, approximately 90 per cent. (31st March, 2013 — 22 per cent., restated) of the bank and other borrowings were repayable within one year. At the end of the reporting period, gearing ratio (measured as total borrowings, net of non-controlling interests, to shareholders' funds) was 11.4 per cent. (31st March, 2013 — 24.0 per cent., restated).

The net asset value attributable to equity holders of the Group remained strong and amounted to HK\$8.6 billion (31st March, 2013 — HK\$8.8 billion). This was equivalent to HK\$17.5 per share (31st March, 2013 — HK\$17.9 per share).

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

FINANCIAL POSITION *(continued)*

During the year, the Company provided a guarantee of up to a maximum US\$100 million for a term of one year to a joint venture, guaranteeing its payment obligations to its trade creditors. Besides, the Group had bankers' guarantees of approximately HK\$40 million as at 31st March, 2014 (31st March, 2013 — HK\$44 million, restated) issued in lieu of rental 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. In addition, the Group had contingent liabilities relating to MCB of approximately HK\$18 million (31st March, 2013 — HK\$21 million), comprising guarantees and other endorsements of approximately HK\$15 million (31st March, 2013 — HK\$15 million) and liabilities under letters of credit on behalf of customers of approximately HK\$3 million (31st March, 2013 — HK\$6 million). Aside from the abovementioned, the Group had no material contingent liabilities outstanding as at 31st March, 2014 (31st March, 2013 — Nil). Apart from the abovementioned, there were no charges on the Group's assets at the end of the year (31st March, 2013 — Nil).

The Group's commitments mainly arise from its property development projects. Following the completion of the BDA Project during the year, the total commitment as at 31st March, 2014 decreased to HK\$507 million (31st March, 2013 — HK\$920 million, restated). 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 3,337 employees as at 31st March, 2014 (31st March, 2013 — 3,163 employees, restated). Staff costs (including directors' emoluments) charged to the statement of profit or loss during the Current Year amounted to HK\$618 million (the Last Period — HK\$752 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.

BUSINESS STRATEGY

The business activities of the Group are diversified. The principal activities of the subsidiaries, associates, joint ventures and joint operations of the Company are investment holding, property investment, property development, hotel operation, food business, property management, project management, mineral exploration, extraction and processing, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services. LCR and HKC, the two major subsidiaries of the Company, have been the major contributors to the Group's results.

The Group is committed to achieve long term sustainable growth of its businesses in preserving and enhancing the shareholders' value. The Group is focused on selecting attractive investment opportunities to strengthen and extend its business scope and has maintained prudent and disciplined financial management to ensure its sustainability.

OUTLOOK

The global economic environment has stabilised since last year but it still continues to face various uncertainties. The Group is seeking to streamline and strengthen its existing business to meet the challenges ahead. 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.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

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.

During the year ended 31st March, 2014 (the "Year"), the Company continued to take measures to closely monitor and enhance its corporate governance practices so as to comply with the requirements of the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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 CG Code for the Year. 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 (the "2013 AGM") as he was travelling overseas and due to the communication problem, he was not contactable at that time.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules as the code for securities transactions by Directors. Having made specific enquiry of all Directors, all Directors have fully complied with the required standard set out in the Model Code throughout the Year.

To enhance corporate governance, the Company has also established written guidelines no less exacting than the Model Code for the relevant employees of the Group in respect of their dealings in the Company's securities.

BOARD OF DIRECTORS

The Board currently comprises seven members (the composition of the Board is shown on page 24), including three executive Directors and four non-executive Directors of whom three are independent as defined under the Listing Rules (brief biographical details of the Directors are set out on pages 25 to 27). A list containing the names of the Directors and their roles and functions can also be found on the Company's website (www.lippold.com.hk) and the Stock Exchange's website (www.hkexnews.hk). To the best knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationships with each other.

The Company has three independent non-executive Directors, representing more than one-third of the Board. Two independent non-executive Directors have appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. All the independent non-executive Directors have signed the annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules to confirm their independence. The Company considers that all independent non-executive Directors have met the independence guidelines of Rule 3.13 of the Listing Rules.

BOARD OF DIRECTORS *(continued)*

Messrs. Victor Ha Kuk Yung (who is to retire by rotation at the forthcoming 2014 annual general meeting of the Company (the "2014 AGM")), Edwin Neo and King Fai Tsui have served as independent non-executive Directors of the Company for more than nine years. In addition to their confirmation of independence in accordance with Rule 3.13 of the Listing Rules, each of Messrs. Victor Ha Kuk Yung, Edwin Neo and King Fai Tsui continues to demonstrate the attributes of an independent non-executive Director by providing independent views and advice and there is no evidence that their tenure has had any impact on their independence. The Directors are of the opinion that each of Messrs. Victor Ha Kuk Yung, Edwin Neo and King Fai Tsui remains independent notwithstanding the length of their service and they believe that their valuable knowledge and experience in the Group's business and their external experience continue to generate significant contribution to the Company and its shareholders as a whole.

Under the Company's Articles of Association (the "Articles"), one-third of the Directors must retire from office at each annual general meeting and their re-election is subject to a vote of shareholders. In addition, every Director is subject to retirement by rotation at least once every three years notwithstanding that the total number of Directors to retire at the relevant annual general meeting would as a result exceed one-third of the Directors. Under the Listing Rules, if an independent non-executive Director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders. All the Directors have entered into employment agreements or letter agreements with the Group setting out the key terms and conditions of their respective appointment as directors of the Company.

The Board oversees the Group's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls the operating and financial performance in pursuit of the Group's strategic objectives. The Board has delegated certain functions to the relevant Board committees, details of which are disclosed below. Day-to-day management of the Group's business is delegated to the management of the Company under the supervision of the executive Directors. The functions and powers that are so delegated are reviewed periodically to ensure that they remain appropriate. Matters reserved for the Board are those affecting the Group's overall strategic policies, dividend policy, material policies and decisions, significant changes in accounting policies, material contracts, major investments and approval of interim reports, annual reports and announcements of interim and annual results. Management provides the Directors with management updates of the Group's operation, performance and position. All Directors are kept informed of and duly briefed of major changes and information that may affect the Group's businesses in a timely manner. Legal and regulatory updates are provided to the Directors from time to time for their information so as to keep them abreast of the latest rule requirements and assist them in fulfilling their responsibilities. The Company Secretary may advise the Directors on queries raised or issues which arise in performance of their duties as directors. The Board members have access to appropriate business documents and information about the Group on a timely basis. All Directors and Board committees have recourse to external legal counsel and other professionals for independent advice at the Group's expense upon their request.

Three Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, have been established to oversee particular aspects of the Group's affairs.

The Board meets regularly to review the financial and operating performance of the Group and other business units, and formulate future strategy. Seven Board meetings were held during the Year.

During the Year, the Chairman held a meeting with the non-executive Directors (including independent non-executive Directors) without the executive Directors present.

Corporate Governance Report *(continued)*

BOARD OF DIRECTORS *(continued)*

Individual attendance of each Director at the Board meetings and general meetings and each committee member at meetings of the Audit Committee, the Remuneration Committee and the Nomination Committee during the Year are set out below:

Directors	Attendance/Number of Meetings				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting*
Executive Directors					
Dr. Stephen Riady <i>(Chairman)</i>	7/7	N/A	2/3	2/3	2/2
Mr. John Luen Wai Lee <i>(Managing Director and Chief Executive Officer)</i>	7/7	N/A	N/A	N/A	2/2
Mr. Jark Pui Lee	5/7	N/A	N/A	N/A	1/2
Non-executive Director					
Mr. Leon Nim Leung Chan	6/7	3/3	3/3	3/3	2/2
Independent Non-executive Directors					
Mr. Victor Ha Kuk Yung <i>(Chairman of the Audit Committee)</i>	7/7	3/3	3/3	3/3	2/2
Mr. King Fai Tsui <i>(Chairman of the Remuneration Committee and Nomination Committee)</i>	7/7	3/3	3/3	3/3	1/2
Mr. Edwin Neo	6/7	2/3	3/3	3/3	2/2

* the general meetings of the Company held during the Year included the 2013 AGM.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer of the Company are segregated. Dr. Stephen Riady is the Chairman of the Board. The primary role of the Chairman is to provide leadership for the Board and to ensure that it works effectively in the discharge of its responsibilities. Mr. John Luen Wai Lee is the Chief Executive Officer of the Company. The Chief Executive Officer is responsible for the day-to-day management of the Group's business. Their respective roles and responsibilities are set out in writing which have been approved by the Board.

NON-EXECUTIVE DIRECTORS

There are currently four non-executive Directors of whom three are independent. Under the Company's Articles, every Director, including the non-executive Directors, shall be subject to retirement by rotation at least once every three years. All the non-executive Directors have a fixed term of contract of two years with the Company.

REMUNERATION OF DIRECTORS

A Remuneration Committee was established by the Board in June 2005. It has clear terms of reference and is accountable to the Board. Its terms of reference can be found on the Company's website (www.lippold.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The Committee has been delegated with the authority and responsibility to determine the remuneration packages of individual Directors and senior management. Senior management of the Company comprises Directors of the Company only.

The principal role of the Committee is to exercise the powers of the Board to review and determine or make recommendations to the Board on the remuneration packages of individual Directors and senior management, including salaries, bonuses, share options and benefits in kind. Salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group have been considered in determining the remuneration packages so as to align management incentives with shareholders' interests. During the Year, the Remuneration Committee reviewed and determined, with delegated responsibility, inter alia, (i) the remuneration packages of the Directors and senior staff; and (ii) service contracts of certain Directors.

Majority of the Committee members are non-executive Directors and three of them are independent. The Remuneration Committee currently comprises five members including three independent non-executive Directors, namely Messrs. King Fai Tsui (being the Chairman of the Remuneration Committee), Edwin Neo and Victor Ha Kuk Yung, a non-executive Director, namely Mr. Leon Nim Leung Chan and an executive Director, namely Dr. Stephen Riady. The composition of the Remuneration Committee meets the requirements of chairmanship and independence of the Listing Rules. Three meetings were held during the Year and the individual attendance of each member is set out above.

Details of Directors' emoluments and retirement benefits are disclosed in Notes 7 and 2.4(ac) to the financial statements, respectively.

NOMINATION OF DIRECTORS

The Board has the power to appoint Director(s) pursuant to the Company's Articles. No new Director was appointed during the Year.

A Nomination Committee was established by the Board in June 2005. It has clear terms of reference and is accountable to the Board. Its terms of reference can be found on the Company's website (www.lippold.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The principal role of the Committee includes, inter alia, review of the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; assessment of the independence of independent non-executive Directors; and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman of the Board and the chief executive. Only the most suitable candidates who are experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be recommended to the Board for selection. Appointments are first considered by the Nomination Committee and recommendation of the Nomination Committee are then put to the Board for decision. During the Year, the Nomination Committee reviewed, inter alia, the eligibility of the Directors seeking for re-election at the 2013 AGM and assessed the independence of the independent non-executive Directors. The Nomination Committee also reviewed the existing structure, size, composition, diversity and efficiency of the Board and reviewed objectives set for implementing the Diversity Policy (as defined hereinbelow).

NOMINATION OF DIRECTORS *(continued)*

The Board considers its diversity is essential to the sustainable success of the Company and adopted a board diversity policy (the "Diversity Policy") in August 2013. The Nomination Committee undertakes the function to review the Diversity Policy and make recommendations on any required changes to the Board. The Diversity Policy sets out the approach to achieve diversity on the Board which will include and make good use of the difference in skills, professional experience, educational background, gender, age, knowledge, length of service and other qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and all board appointments will be based on merit and contribution, having due regard to the overall effective function of the Board as a whole. The Company will also take into account factors based on its own business model and specific needs from time to time. The Nomination Committee monitors the implementation of the Diversity Policy and will at appropriate time set measurable objectives for achieving diversity under the Diversity Policy. The Nomination Committee will review the Diversity Policy from time to time to ensure its continued effectiveness. A copy of the Diversity Policy can be found on the Company's website (www.lippold.com.hk). The Company believes that diversity can strengthen the performance of the Board, and promote effective decision-making and better corporate governance and monitoring.

Majority of the Committee members are non-executive Directors and three of them are independent. The Nomination Committee currently comprises five members including three independent non-executive Directors, namely, Messrs. King Fai Tsui (being the Chairman of the Nomination Committee), Edwin Neo and Victor Ha Kuk Yung, a non-executive Director, namely Mr. Leon Nim Leung Chan and an executive Director, namely Dr. Stephen Riady. Three meetings were held during the Year and the individual attendance of each member is set out above.

Shareholders may propose a candidate for election as a Director in accordance with the Company's Articles. The procedures for such proposal are published on the Company's website (www.lippold.com.hk).

DIRECTORS' TIME COMMITMENT AND TRAINING

The Company has received confirmation from each Director that he had sufficient time and attention to the affairs of the Company for the Year. Directors are encouraged to participate in professional, public and community organisations. Directors have disclosed to the Company the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies and organisations and an indication of the time involved. They are also reminded to notify the Company in a timely manner of any change of such information. In respect of those Directors who would stand for re-election at the 2014 AGM, all their directorships held in listed public companies in the past three years are to be set out in the circular to shareholders regarding, inter alia, proposed re-election of retiring Directors. Other details of Directors are set out in the brief biographical details of the Directors and senior management on pages 25 to 27.

DIRECTORS' TIME COMMITMENT AND TRAINING *(continued)*

Directors are also encouraged to attend seminars and conferences to enrich their knowledge in discharging their duties as a director. The Company has arranged from time to time at its cost seminars and/or conferences conducted by professional bodies for the Directors relating to, inter alia, director's duties, corporate governance and regulatory updates. Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:

- (1) participation in continuous professional training seminars and/or conferences and/or courses and/or workshops on subjects relating to, inter alia, corporate governance, directors' duties and legal and regulatory changes organised and/or arranged by the Company and/or professional bodies and/or lawyers;
- (2) reading materials provided from time to time by the Company to Directors regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties; and
- (3) reading news, journals, magazines and/or other reading materials regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

According to the training records provided by the Directors to the Company, all Directors participated in continuous professional development during the Year through the above means (1), (2) and (3). Records of the Directors' training during the Year are as follows:

Directors	Training received
Executive Directors	
Dr. Stephen Riady (<i>Chairman</i>)	(1), (2) and (3)
Mr. John Luen Wai Lee (<i>Managing Director and Chief Executive Officer</i>)	(1), (2) and (3)
Mr. Jark Pui Lee	(1), (2) and (3)
Non-executive Director	
Mr. Leon Nim Leung Chan	(1), (2) and (3)
Independent Non-executive Directors	
Mr. Edwin Neo	(1), (2) and (3)
Mr. King Fai Tsui	(1), (2) and (3)
Mr. Victor Ha Kuk Yung	(1), (2) and (3)

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has arranged directors' and officers' liability insurance for years to indemnify the directors and officers of the Group against any potential liability arising from the Group's activities which such directors and officers may be held liable.

AUDITORS' REMUNERATION

Messrs. Ernst & Young has been appointed by the shareholders annually as the Company's auditors. During the Year, the fees charged to the financial statements of the Group for the statutory audit and non-statutory audit services provided by Messrs. Ernst & Young (which for the purpose includes any entity under common control, ownership or management with the auditors or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the auditors nationally and internationally) amounted to approximately HK\$9.5 million (For the fifteen months ended 31st March, 2013 — HK\$12.5 million, restated) and approximately HK\$1.7 million (For the fifteen months ended 31st March, 2013 — HK\$3.5 million, restated), respectively. The non-statutory audit services provided during the Year consisted of the review of the Group's continuing connected transactions and other reporting services.

AUDIT COMMITTEE

The Board established an Audit Committee in December 1998. The Audit Committee has clear terms of reference and is accountable to the Board. Its terms of reference can be found on the Company's website (www.lippold.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The Audit Committee assists the Board in meeting its responsibilities for ensuring an effective system of internal control and compliance, and in meeting its external financial reporting objectives. The Audit Committee is also responsible for the Company's corporate governance functions. All Committee members are non-executive Directors and three of them including the Chairman are independent. The Audit Committee comprises four members including three independent non-executive Directors, namely Messrs. Victor Ha Kuk Yung (being the Chairman of the Audit Committee), Edwin Neo and King Fai Tsui and a non-executive Director, namely Mr. Leon Nim Leung Chan. Three meetings were held during the Year and the individual attendance of each member is set out above.

The Committee members possess diversified industry experience and the Chairman of the Audit Committee has appropriate professional qualifications and experience in accounting matters. Under its current terms of reference, the Committee will meet at least twice each year. Management and auditors shall normally attend the meetings.

During the Year, the Audit Committee discharged its duties by reviewing financial, audit and corporate governance matters of the Group, including management accounts, financial statements, interim and annual reports, corporate governance report and internal audit reports and discussing with executive Directors, management, external auditors and internal audit department (the "IA Department") regarding financial matters, corporate governance policies and practices and internal audit, control and risk management matters of the Group, and making recommendations to the Board on financial-related matters. The Audit Committee also recommended to the Board that, subject to the shareholders' approval at the 2014 AGM, Messrs. Ernst & Young be re-appointed as the Company's external auditors for the ensuing year; and reviewed the fees charged by the Company's external auditors.

INTERNAL CONTROLS

The Board recognises its responsibility for maintaining an adequate system of internal control and prompt and transparent reporting of the Company's activities to the shareholders and to the public.

The internal control system is designed to facilitate the effectiveness and efficiency of operations, safeguard assets against unauthorised use and disposition, ensure the maintenance of proper accounting records and the truth and fairness of the financial statements, and ensure compliance with relevant legislation and regulations.

During the Year, a review of the effectiveness of the Group's internal control system covering all material controls and risk management functions was conducted and such review will be conducted on an annual basis.

An Inside Information Policy was adopted by the Company which sets out guidelines to the Directors, officers and all relevant employees of the Group to ensure inside information (as defined in the Listing Rules) (the "Inside Information") of the Group would be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations. The Company also established Group Internal Notification Policies and Procedures for setting out guidelines for identification and notification of Inside Information and notifiable transactions (as defined in the Listing Rules). A whistleblowing policy was also adopted by the Group.

During the Year, the Board reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The review will be conducted annually in accordance with the requirements of the CG Code.

INTERNAL AUDIT

The IA Department was set up in 2007 to perform internal audit and to review the internal control system of the Group.

The principal roles of the internal audit are to ensure the effectiveness of internal control procedures and strict compliance with different standards and policies across different businesses and operations of the Group. The IA Department audits and evaluates the Group's internal control operation and management activities so as to establish that there are no significant misrepresentations of risks and faults in the Group. The Board and the Audit Committee will actively take actions based on the findings from the IA Department. The IA Department is also responsible for providing improvement procedures to different operation teams and departments so as to minimise the risk exposure in the future. Ongoing enhancement and revision on the internal control system will have to be made from time to time so as to cope with the growth of the Group.

COMPANY SECRETARY

The Company Secretary is an employee of the Company. The Company Secretary is responsible for facilitating the Board's processes and communications among Board members, with shareholders and with management. During the Year, the Company Secretary had taken the necessary professional training.

COMMUNICATION WITH SHAREHOLDERS

The Company has established a shareholders' communication policy and will review it on a regular basis to ensure its effectiveness.

The Company's Annual General Meeting (the "AGM") is one of the principal channels of communication with its shareholders. It provides an opportunity for shareholders to ask questions about the Company's performance. Separate resolutions will be proposed for each substantially separate issue at the AGM. Board members, including the Chairmen of the Board and Board committees and Board committee members, attended the 2013 AGM and the extraordinary general meeting of the Company held on 3rd December, 2013 and were available to answer questions from shareholders. The Company's external auditors also attended the 2013 AGM to answer questions from shareholders.

Under the Listing Rules, all resolutions proposed at shareholders' meetings must be voted by poll except where the chairman of a general meeting, in good faith and in compliance with the Listing Rules, decides to allow resolutions to be voted on by the shareholders on a show of hands. Details of the poll procedures will be explained during the proceedings of shareholders' meetings. The poll voting results will be released and posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lippold.com.hk).

To provide effective communication, the Company maintains a website at www.lippold.com.hk. All the financial information and other disclosures including, inter alia, annual reports, interim reports, announcements, circulars, notices and Articles are available on the Company's website.

Shareholders may direct their questions about their shareholdings to the Company's Registrar, Tricor Progressive Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or contact the Customer Service Hotline of the Company's Registrar at (852) 2980 1333. Shareholders may send their enquiries to the Board or the Company Secretary in written form to the registered office of the Company at 24th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

SHAREHOLDERS' RIGHTS

Under Section 566 of the new Companies Ordinance (Chapter 622) which came into effect on 3rd March, 2014 (the "Companies Ordinance"), shareholders representing at least 5 per cent. of the total voting rights of all the shareholders having a right to vote at the general meetings are entitled to send a request to the Company to convene a general meeting. Such requisition must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may be sent to the Company in hard copy form or in electronic form and must be authenticated by the shareholder(s) making it and deposited at the registered office of the Company or sent to the Company's email address at lippo.ir@lippo-hongkong.com. Besides, in relation to an annual general meeting which a company is required to hold, Sections 615 and 616 of the Companies Ordinance provide that shareholders representing at least 2.5 per cent. of the total voting rights of all shareholders of the company having a right to vote on the resolution at the annual general meeting or at least 50 shareholders having a right to vote on the resolution at the annual general meeting, may request the company to circulate a notice of the resolution for consideration at the annual general meeting, by sending a request, which must be authenticated by the shareholders making it, in a hard copy form or electronic form. Such request must be deposited at the registered office of the Company or sent to the Company's email address at lippo.ir@lippo-hongkong.com.

FAIR DISCLOSURE AND INVESTOR RELATIONS

The Company uses its best endeavours to distribute material information about the Group to all interested parties as widely as possible. When announcements are made through the Stock Exchange, the same information will be available to the public on the Company's website. The Company recognises its responsibility to disclose its activities to those with a legitimate interest and to respond to their questions. In all cases, great care has been taken in handling Inside Information of the Group. An Inside Information Policy was adopted by the Company which sets out guidelines to ensure Inside Information of the Group is to be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations.

Management of the Group maintains regular contacts with the investment community. A shareholders' communication policy was adopted by the Group.

During the Year, no amendments were made to the Company's Articles. An updated and consolidated version of the Company's Articles is available on the Company's website (www.lippold.com.hk) and the Stock Exchange's website (www.hkexnews.hk).

FINANCIAL REPORTING

The Board recognises its responsibility to prepare the Company's financial statements which give a true and fair view and are in compliance with Hong Kong Financial Reporting Standards, Listing Rules and other regulatory requirements. As at 31st March, 2014, the Board was not aware of any material misstatement or uncertainties that might put doubt on the Group's financial position or continue as a going concern. The Board selected appropriate accounting policies and applied consistently. Judgments and estimates were reasonably and prudently made. The external auditors are responsible for audit and report, if any, material misstatement or non-compliance with Hong Kong Financial Reporting Standards or other regulations. The Board uses its best endeavours to ensure a balanced, clear and understandable assessment of the Group's performance, position and prospects in financial reporting.

The responsibilities of the auditors with respect to financial reporting are set out in the Independent Auditors' Report on pages 36 and 37.

CORPORATE SOCIAL RESPONSIBILITY

The Group is conscious of its role as a socially responsible group of companies. It cares for and supports the communities where it operates. The Group has made donations for community well-being from time to time, and supported the Group's volunteer team in serving the disadvantaged groups and the community as a whole.

Report of the Directors

The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 31st March, 2014 (the "Year").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries, associates, joint ventures and joint operations are principally engaged in investment holding, property investment, property development, hotel operation, food business, property management, project management, mineral exploration, extraction and processing, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

The activities and other particulars of the principal subsidiaries, principal associates, principal joint ventures and joint operations are set out in the financial statements on pages 155 to 169, pages 170 and 171, page 172 and page 173, respectively.

There were no significant changes in the nature of these activities during the Year.

SEGMENT INFORMATION

An analysis of the Group's revenue and results by principal activity and geographical area for the Year is set out in Note 4 to the financial statements.

RESULTS AND DIVIDENDS

The results and details of cash flows of the Group for the Year and the state of affairs of the Group and the Company as at 31st March, 2014 are set out in the financial statements on pages 38 to 173.

An interim dividend of HK3 cents per share (For the six months ended 30th June, 2012 — HK3 cents per share) for the six months ended 30th September, 2013 was paid on 10th February, 2014. The Directors have resolved to recommend the payment of a final dividend of HK10 cents per share (For the fifteen months ended 31st March, 2013 — HK4 cents per share) amounting to approximately HK\$49.3 million for the Year (For the fifteen months ended 31st March, 2013 — approximately HK\$19.7 million). Total dividends for the Year will be HK13 cents per share (For the fifteen months ended 31st March, 2013 — HK7 cents per share) amounting to approximately HK\$64.1 million (For the fifteen months ended 31st March, 2013 — approximately HK\$34.5 million).

SUMMARY OF GROUP FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 180.

GOODWILL

Details of movements in goodwill during the Year are set out in Note 15 to the financial statements.

FIXED ASSETS

Details of movements in the fixed assets during the Year are set out in Note 17 to the financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties during the Year are set out in Note 18 to the financial statements.

BANK LOANS

Details of bank loans are summarised in Note 29 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in Note 33 to the financial statements.

SHARE OPTION SCHEMES

Details of the share option schemes of the Company and its subsidiaries are set out in Note 34 to the financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves during the Year and details of the distributable reserves are set out in Note 35 to the financial statements and in the consolidated statement of changes in equity, respectively.

EVENT AFTER THE REPORTING PERIOD

Details of a significant event after the reporting period of the Group are set out in Note 46 to the financial statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in the financial statements on pages 155 to 169.

DONATIONS

Charitable and other donations made by the Group during the Year amounted to HK\$17,983,000 (For the fifteen months ended 31st March, 2013 — HK\$65,141,000, restated).

HONORARY CHAIRMAN

On 25th April, 2003, the Directors of the Company appointed Dr. Mochtar Riady ("Dr. Riady") as Honorary Chairman of the Company in recognition of Dr. Riady's valuable contribution to the Company in the past. Dr. Riady was not appointed as a director or officer of the Company. He has no executive or management function within the Company and will not attend or vote at meetings of Directors. He will not have any involvement in the day-to-day management, oversight or other operation of the Company.

DIRECTORS

The Directors of the Company during the Year were:

Executive Directors

Dr. Stephen Riady (*Chairman*)

Mr. John Luen Wai Lee, BBS, JP (*Managing Director and Chief Executive Officer*)

Mr. Jark Pui Lee, SBS, OBE, JP

Non-executive Director

Mr. Leon Nim Leung Chan

Independent non-executive Directors

Mr. Edwin Neo

Mr. King Fai Tsui

Mr. Victor Ha Kuk Yung

In accordance with Article 120 of the Company's Articles of Association (the "Articles"), Messrs. Jark Pui Lee and Victor Ha Kuk Yung will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS *(continued)*

Each of Messrs. King Fai Tsui and Victor Ha Kuk Yung entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 30th September, 2012. Following the expiry of the term under their respective former letter agreements with the Company, each of Messrs. Leon Nim Leung Chan and Edwin Neo entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 1st January, 2014. All the above letter agreements will be terminable by either party by giving three months' prior written notice. Their terms of services are also subject to the provisions of the Articles. Mr. Jark Pui Lee has an employment agreement with the Company and Mr. John Luen Wai Lee has employment agreements with two subsidiaries of the Company. Such employment agreements will be terminable by either party by giving three months' prior written notice. Dr. Stephen Riady entered into a letter agreement with the Company setting out the key terms and conditions for serving as a Director of the Company. Dr. Riady was not appointed for a specific term but his term of service is subject to the relevant provisions of the Articles. In accordance with the Articles, one-third of the Directors of the Company must retire from office at each annual general meeting and their re-election is subject to a vote of shareholders. In addition, every Director is subject to retirement by rotation at least once every three years notwithstanding that the total number of Directors to retire at the relevant annual general meeting would as a result exceed one-third of the Directors.

The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Company considers such Directors to be independent.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Dr. Stephen Riady, aged 54, has been the Chairman of the board of directors of the Company since 1991. He is also an executive director and the Chairman of the board of directors of each of Lippo China Resources Limited ("LCR") and Hongkong Chinese Limited ("HKC"), both are public listed companies in Hong Kong. Dr. Riady is a director of Lanius Limited and Lippo Capital Limited. He is a member of the Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC. He also holds directorship in certain subsidiaries of the Company. Dr. Riady is the Executive Chairman of OUE Limited (formerly known as Overseas Union Enterprise Limited) and an executive director of Auric Pacific Group Limited ("Auric"), both are public listed companies in Singapore. He serves as a member of the Nomination Committee of Auric. Dr. Riady is a graduate of the University of Southern California, United States of America and holds a Master Degree of Business Administration from Golden Gate University, United States of America and an Honorary Degree of Doctor of Business Administration from Edinburgh Napier University, United Kingdom. He is one of the first Honorary University Fellows installed by the Hong Kong Baptist University in September 2006. Dr. Riady is the son of Dr. Mochtar Riady and Madam Lidya Suryawaty. The interests of Dr. Mochtar Riady and Madam Lidya Suryawaty in the Company are disclosed in the section headed "Interests and short positions of shareholders discloseable under the Securities and Futures Ordinance" below.

Mr. John Luen Wai Lee, BBS, JP, aged 65, has been the Managing Director of the Company since 1991 and is also the Chief Executive Officer of the Company. He is an executive director and the Chief Executive Officer of each of LCR and HKC. Mr. Lee is also an authorised representative of the Company, LCR and HKC. In addition, Mr. Lee holds directorship in certain subsidiaries of the Company. He is an independent non-executive director of New World Development Company Limited and New World China Land Limited, both are public listed companies in Hong Kong. Mr. Lee was a non-executive director of each of Asia Now Resources Corp., a company listed on TSX Venture Exchange of Canada, and Export and Industry Bank, Inc., a former public listed company in the Republic of Philippines. Mr. Lee is a Fellow Member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants and an Associate Member of The Institute of Chartered Accountants in England and Wales. He was a partner of Pricewaterhouse in Hong Kong and has extensive experience in corporate finance and capital markets. Mr. Lee is an Honorary Fellow of the City University of Hong Kong and a Justice of Peace in Hong Kong. He is active in public service and currently serves as a member on a number of Public Boards and Committee including the Chairman of the Board of Trustees of the Hospital Authority Provident Fund Scheme and the Chairman of the Queen Elizabeth Hospital Governing Committee. In addition, he serves as a member of the Appeal Boards Panel (Education). Mr. Lee was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

Mr. Jark Pui Lee, SBS, OBE, JP, aged 74, was appointed a Director of the Company in 1992. Mr. Lee holds a Bachelor of Arts degree (Hons) from The University of Hong Kong. He has worked for the Hong Kong Government and was the Secretary-General of The Chinese Manufacturers' Association of Hong Kong. He has served and contributed to the local community for over 40 years, and was Chairman of the Government's Social Welfare Advisory Committee, the General Support Programme Vetting Committee of the Innovation and Technology Commission, Hong Kong Council of Social Service, the Legal Aid Services Council and Po Leung Kuk. Mr. Lee is currently the Chairman of International Chamber of Commerce — Hong Kong, China, Agency for Volunteer Service and the Hong Kong Council of Volunteering.

Mr. Leon Nim Leung Chan, aged 58, was appointed an independent non-executive Director of the Company in 1997 and was re-designated as a non-executive director of the Company in September 2004. He is a practising lawyer and presently the principal partner of Messrs. Y.T. Chan & Co. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1980 and was also admitted as a solicitor in England in 1984 and in Victoria, Australia in 1985. He was a member of the Solicitors Disciplinary Tribunal from May 1993 to April 2008 and is currently one of the Panel Chairman of the Appeal Tribunal Panel on appeals against a decision of the Building Authority. He is also a non-executive director of LCR and HKC. Mr. Chan is a member of the Audit Committee, Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC. He is also a director of a subsidiary of HKC and the chairman of the supervisory board member of a subsidiary of HKC. Mr. Chan is an independent non-executive director of Midland Holdings Limited and PanAsialum Holdings Company Limited, both are public listed companies in Hong Kong.

Mr. Edwin Neo, aged 64, was appointed an independent non-executive Director of the Company in March 2002. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1976 and of the Supreme Court of England and Wales in 1993. Mr. Neo is a practising lawyer and a notary public and is presently the senior partner of Hoosenally & Neo, Solicitors & Notaries. Mr. Neo holds a Bachelor of Laws degree with honours and Post-graduate Certificate in Laws from The University of Hong Kong. He is also an independent non-executive director of LCR and Auric. Mr. Neo is a member of the Remuneration Committee, Nomination Committee and Audit Committee of each of the Company and LCR.

Mr. King Fai Tsui, aged 64, was appointed an independent non-executive Director of the Company in September 2004. Mr. Tsui is a director and senior consultant of a registered financial services company in Hong Kong. He is an independent non-executive director of Vinda International Holdings Limited, China Aoyuan Property Group Limited and Newton Resources Ltd, all are public listed companies in Hong Kong. He has over 30 years of extensive experience in accounting, finance and investment management, particularly in investments in mainland China. Mr. Tsui worked for two of the Big Four audit firms in the United States of America and Hong Kong and served in various public listed companies in Hong Kong in a senior capacity. He is a Fellow of the Hong Kong Institute of Certified Public Accountants, a member of the Institute of Chartered Accountants in Australia and a member of the American Institute of Certified Public Accountants. He graduated from the University of Houston, Texas, the United States of America and holds a Master of Science in Accountancy and a Bachelor of Business Administration with first class honours. Mr. Tsui is an independent non-executive director of LCR and HKC. He is the Chairman of the Audit Committee of HKC and a member of the Audit Committee of each of the Company and LCR. He is also the Chairman of the Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC.

Mr. Victor Ha Kuk Yung, aged 60, was appointed an independent non-executive Director of the Company in September 2004. He is a professional accountant with over 30 years of working experience in the financial and accounting fields, and served in management positions in various multinational companies in Asia. Mr. Yung holds a Master of Science Degree in Corporate Governance and Directorship from the Hong Kong Baptist University, and is a member of the Hong Kong Institute of Certified Public Accountants. He is also an independent non-executive director of LCR and HKC. Mr. Yung is the Chairman of the Audit Committee of each of the Company and LCR and a member of the Audit Committee of HKC. He is also a member of the Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC. Mr. Yung is an independent non-executive director of Travel Expert (Asia) Enterprises Limited, a public listed company in Hong Kong. He was also appointed as an independent non-executive director of Magnum Entertainment Group Holdings Limited which was listed on The Stock Exchange of Hong Kong Limited in January 2014.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

Details of the interests of the Directors in the Company are disclosed in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations" below.

Save as disclosed herein and in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations" below, the Directors do not have any other relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

Details of the emoluments of the Directors on a named basis and the five highest paid employees in the Group are set out in Notes 7 and 8 to the financial statements, respectively.

The emoluments of the Directors are determined by reference to the market rates, time commitment and their duties and responsibilities as well as employment conditions elsewhere in the Group.

The emoluments of the Directors for the Year have been covered by their respective letter agreements or employment agreements (as applicable) with the Group and/or paid under the relevant statutory requirement save for those as disclosed hereinbelow:

- (a) the discretionary bonus of Dr. Stephen Riady in an amount of HK\$8,000,000;
- (b) the director's fees, discretionary bonus and fringe benefits of Mr. John Luen Wai Lee in the total amount of approximately HK\$2,255,000;
- (c) the fringe benefits of Mr. Jark Pui Lee in the total amount of approximately HK\$169,000;
- (d) the director's fees of Mr. Leon Nim Leung Chan in the total amount of approximately HK\$49,000; and
- (e) the director's fee of Mr. Edwin Neo in an amount of approximately HK\$345,000 for serving as an independent non-executive director of a subsidiary of the Company.

Executive Directors are entitled to discretionary bonuses and/or other fringe benefits for the executive role in the Group. Further details of the above Directors' emoluments are disclosed in Note 7 to the financial statements.

With effect from 1st April, 2013, the fees payable to the non-executive Directors have been adjusted to HK\$192,000 per annum. A non-executive Director will also receive additional fees for duties assigned to and services provided by him as Chairmen and/or members of various board committees of the Company and its subsidiaries. With effect from 1st April, 2013, the fees payable to the non-executive Directors for serving as the Chairmen and/or members of various board committees of the Company per annum are as follows:

	HK\$
Audit Committee	
Chairman	48,000
Member	24,000
Other Committees	
Chairman	24,000
Member	24,000

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31st March, 2014, 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 shares
Number of ordinary shares in the Company					
Stephen Riady	–	–	319,322,219 <i>Note (i)</i>	319,322,219	64.75
Jark Pui Lee	–	60	–	60	0.00
John Luen Wai Lee	1,031,250	–	–	1,031,250	0.21
Number of ordinary shares in Lippo China Resources Limited ("LCR")					
Stephen Riady	–	–	6,544,696,389 <i>Notes (i) and (ii)</i>	6,544,696,389	71.24
Number of ordinary shares of HK\$1.00 each in Hongkong Chinese Limited ("HKC")					
Stephen Riady	–	–	1,121,517,842 <i>Notes (i) and (iii)</i>	1,121,517,842	56.12
Jark Pui Lee	469	469	–	938	0.00
John Luen Wai Lee	2,000,270	270	–	2,000,540	0.10
King Fai Tsui	600,000	75,000	–	675,000	0.03

Note:

- (i) As at 31st March, 2014, 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 in, representing approximately 64.75 per cent. of the issued shares of, the Company. 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 shares 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 issued shares of Lanius. The beneficiaries of the trust included, inter alia, Dr. Stephen Riady and other members of the family. Dr. Stephen Riady was taken to be interested in Lippo Capital under the provisions of the SFO.
- (ii) As at 31st March, 2014, the Company was indirectly interested in 6,544,696,389 ordinary shares in, representing approximately 71.24 per cent. of the issued shares of, LCR.
- (iii) As at 31st March, 2014, the Company 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 shares of, HKC.

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)*

For the reasons outlined above, through his deemed interests in Lippo Capital as mentioned in Note (i) above, Dr. Stephen Riady was also taken to be interested in the issued shares 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 shares
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
Brimming Fortune Limited	Ordinary shares	1	100
Broadwell Overseas Holdings Limited	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
HKCL Investments Limited	Ordinary shares	1	100
Honix Holdings Limited	Ordinary shares	1	100
International Realty (Singapore) Pte. Limited	Ordinary shares	2	100
J & S Company Limited	Ordinary shares	1	100
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
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 31st March, 2014, Dr. Stephen Riady, as beneficial owner and through his nominee, was interested in 5 ordinary shares in, representing approximately 16.67 per cent. of the issued shares of, Lanius which is the holder of the entire issued shares of Lippo Capital. Lanius is the trustee of a discretionary trust which was founded by Dr. Mochtar Riady (father of Dr. Stephen Riady), who does not have any interest in the issued shares of Lanius. The beneficiaries of the trust included, inter alia, Dr. 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 31st March, 2014, Dr. 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"). Dr. Stephen Riady is the beneficial owner of the entire issued share capital of Bravado. For the reasons mentioned above, through his deemed interest in Lippo Capital, Dr. Stephen Riady was also taken to be interested in 61,927,335 ordinary shares in Auric. Accordingly, Dr. 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 shares of, Auric.

As at 31st March, 2014, 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 31st March, 2014, 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 31st March, 2014, 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).

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangements to enable a Director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE

As at 31st March, 2014, 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	Approximate percentage of the issued shares
Lippo Capital Limited ("Lippo Capital")	319,322,219	64.75
Lanius Limited ("Lanius")	319,322,219	64.75
Dr. Mochtar Riady	319,322,219	64.75
Madam Lidya Suryawaty	319,322,219	64.75

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE *(continued)*

Interests of substantial shareholders in shares of the Company *(continued)*

Note:

1. Lippo Capital, through its wholly-owned subsidiary, J & S Company Limited, was indirectly interested in 14,699,997 ordinary shares of the Company. Together with 304,622,222 ordinary shares of the Company owned by Lippo Capital directly as beneficial owner, Lippo Capital was interested in an aggregate of 319,322,219 ordinary shares in, representing approximately 64.75 per cent. of the issued shares of, the Company.
2. Lanius is the holder of the entire issued shares 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 issued shares 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 Capital's interests in the ordinary shares of the Company were recorded as the interests of Lanius, Dr. Mochtar Riady and Madam Lidya Suryawaty. The above 319,322,219 ordinary shares of the Company related to the same block of shares that Dr. 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 31st March, 2014, 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.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Lippo Group (a general reference to the companies in which Dr. Stephen Riady and his family members have a direct or indirect interest) is not a legal entity and does not operate as one. Each of the companies in the Lippo Group operates within its own legal, corporate and financial framework. As at 31st March, 2014, the Lippo Group might have had or developed interests in business in Hong Kong and other parts in Asia similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

The Directors of the Company are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and its Directors would comply with the relevant requirements of the Company's Articles of Association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") whenever a Director has any conflict of interest in the transaction(s) with the Company.

Save as disclosed herein, during the Year and up to the date of this report, none of the Directors are considered to have interests in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group required to be disclosed under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Continuing connected transactions disclosed in accordance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") are as follows.

As a result of the adoption of Hong Kong Financial Reporting Standard 10 entitled "Consolidated Financial Statements" for annual periods beginning on or after 1st April, 2013, each of Auric Pacific Group Limited ("Auric") and Food Junction Holdings Limited ("Food Junction") and their respective subsidiaries have been classified as subsidiaries of the Company with effect from 1st April, 2013. Lippo China Resources Limited ("LCR"), a subsidiary of the Company, is interested in approximately 49.3 per cent. of the issued shares of Auric which in turn is the holding company of Food Junction. Dr. Stephen Riady, an executive director of the Company, through companies controlled by him, is indirectly interested in approximately 21.9 per cent. of the issued shares of Auric. Accordingly, subsidiaries of Auric and Food Junction referred to hereinbelow are regarded as connected persons of the Company under the Listing Rules. Therefore, the following agreements constituted continuing connected transactions for the Company with effect from 1st April, 2013:

- (A) (i) A tenancy agreement dated 1st April, 2013 entered into between West Tower Holding Limited ("West Tower"), a wholly-owned subsidiary of LCR, and LCR Catering Services Limited ("LCR Catering"), a subsidiary of Food Junction, pursuant to which LCR Catering agreed to lease from West Tower Unit 4, Ground Floor, Lippo Centre, 89 Queensway, Hong Kong ("Lippo Centre") for a term of three years from 1st April, 2013 to 31st March, 2016, both days inclusive, at a monthly rental of HK\$364,550, exclusive of rates, service charge and all other outgoings, for use as a restaurant. The service charge of HK\$65,040 per month (subject to adjustment) shall be payable by LCR Catering to West Tower and such service charge shall not exceed HK\$78,000 per month (the "LCR Catering Maximum Service Charge").
- (ii) A licence agreement dated 1st April, 2013 entered into between West Tower, as licensor, and LCR Catering, as licensee, in respect of four night car parking spaces in the first basement of Lippo Centre. A licence fee of HK\$5,300 per month (subject to increase) shall be payable by LCR Catering to West Tower. The term of the licence agreement shall be three years from 1st April, 2013 to 31st March, 2016, both days inclusive.

The maximum aggregate value, that is, the annual cap for the above tenancy agreement and licence agreement, which is equivalent to the annual rental, the annual LCR Catering Maximum Service Charge and the annual licence fee, for the Year was HK\$5,375,000.

CONTINUING CONNECTED TRANSACTIONS (continued)

- (B) (i) A tenancy agreement dated 15th March, 2013 entered into between West Tower and Delifrance (HK) Limited (“Delifrance”), a wholly-owned subsidiary of Auric, pursuant to which Delifrance agreed to lease from West Tower Shop 1B-1E, Ground Floor, Lippo Centre for a term of three years from 16th March, 2013 to 15th March, 2016, both days inclusive, at a monthly rental of HK\$23,000 (for the period from 16th March, 2013 to 31st May, 2014) and HK\$25,500 (for the period from 1st June, 2014 to 15th March, 2016), exclusive of rates, service charge and all other outgoings, for use as a high class shop providing sandwiches and light meals under the trade name or style of “Delifrance” or a kitchen support to other Delifrance stores. The service charge of HK\$8,065 per month (subject to adjustment) shall be payable by Delifrance to West Tower and such service charge shall not exceed HK\$10,000 per month (the “First Maximum Service Charge”).
- (ii) A tenancy agreement dated 15th March, 2013 entered into between West Tower and Delifrance, pursuant to which Delifrance agreed to lease from West Tower Shop 1A-1B, First Floor, Lippo Centre for a term of two years and eight months and ten days from 16th March, 2013 to 25th November, 2015, both days inclusive, at a monthly rental of HK\$71,500 (for the period from 16th March, 2013 to 25th November, 2013) and HK\$78,875 (for the period from 26th November, 2013 to 25th November, 2015), exclusive of rates, service charge and all other outgoings, for use as a bakery café and a western style restaurant under the trade name and/or trademark of “Delifrance” and/or any other trade name as approved by the landlord from time to time. The service charge of HK\$2,505 per month (subject to adjustment) shall be payable by Delifrance to West Tower and such service charge shall not exceed HK\$3,000 per month (together with the First Maximum Service Charge, the “Delifrance Maximum Service Charges”).

The maximum aggregate value, that is, the annual cap for the above tenancy agreements, which is equivalent to the annual rentals and annual Delifrance Maximum Service Charges, for the Year was HK\$1,321,000.

- (C) A tenancy agreement dated 18th November, 2010 entered into between 力寶置業(上海)有限公司 (Lippo Realty (Shanghai) Limited) (formerly known as 上海力寶復興房地產有限公司 (Shanghai Lippo Fuxing Real Estate Limited)) (“LRSL”), a former wholly-owned subsidiary of LCR, and 福將坊(北京)餐飲有限公司 (Food Junction Beijing Co., Limited) (“Food Junction Beijing”), a wholly-owned subsidiary of Food Junction, pursuant to which Food Junction Beijing agreed to lease from LRSL Shop 303B, 304-305, Third Floor, Lippo Plaza, No. 222 Huaihai Zhong Road, Shanghai, the People’s Republic of China for a term of three years from 1st February, 2011 to 31st January, 2014, both days inclusive, at a monthly rental of RMB202,843 for the first year, RMB228,198 for the second year and RMB253,553 for the third year, or a turnover rent of 11 per cent. calculated by reference to the turnover generated at the above premises, whichever is higher, for use as a restaurant. The rental is exclusive of property management fee and other outgoings. The annual cap for the above tenancy agreement, which is equivalent to the annual rental, for the Year was RMB3,000,000 (equivalent to approximately HK\$4,000,000).

The Directors of the Company are of the view that the terms of each of the above agreements are determined on fair and reasonable basis and in accordance with normal commercial terms and that such transactions are in the ordinary and usual course of business of the Company and in the interests of the Company and its shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS *(continued)*

The independent non-executive Directors have confirmed that the above agreements had been entered into (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) in accordance with the above agreements on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. Messrs. Ernst & Young, the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Messrs. Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Company in accordance with Rule 14A.38 of the Listing Rules. A copy of the above auditors' letter has been provided by the Company to the Stock Exchange.

The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions disclosed herein.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

There were no contracts of significance in relation to the Company's business, to which the Company or any of its subsidiaries, holding companies or fellow subsidiaries was a party, subsisting at the end of the Year or at any time during the Year, and in which a Director or the controlling shareholders or any of their respective subsidiaries, directly or indirectly, had a material interest.

During the Year, no contract of significance for the provision of services to the Group by a controlling shareholder or any of its subsidiaries has been made.

DIRECTORS' SERVICE CONTRACTS

No Director of the Company proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

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

During the Year, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

MAJOR SUPPLIERS AND CUSTOMERS

Purchases attributable to the Group's five largest suppliers combined accounted for 45 per cent. of the total purchases for the Year and purchases attributable to the largest supplier included therein amounted to 41 per cent. The percentage of sales attributable to the Group's five largest customers combined was less than 30 per cent. of the Group's total sales for the Year.

None of the Directors of the Company, their associates or any shareholders (which to the best knowledge and belief of the Directors own more than 5 per cent. of the Company's issued shares) had any beneficial interest in the Group's five largest suppliers.

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes of the Group and the employer's retirement benefits costs charged to the consolidated statement of profit or loss for the Year are set out in Notes 2.4(ac) and 6 to the financial statements, respectively.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. The Company's Corporate Governance Report is set out on pages 14 to 22.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained sufficient public float as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDITORS

The financial statements for the Year were audited by Messrs. Ernst & Young who will retire at the conclusion of the forthcoming annual general meeting and, being eligible, will offer themselves for re-appointment.

On behalf of the Board

John Luen Wai Lee

Managing Director and Chief Executive Officer

Hong Kong, 27th June, 2014

Independent Auditors' Report



To the shareholders of Lippo Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Lippo Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 38 to 173, which comprise the consolidated and company statements of financial position as at 31st March, 2014, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March, 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

22/F CITIC Tower

1 Tim Mei Avenue

Central, Hong Kong

Hong Kong, 27th June, 2014

Consolidated Statement of Profit or Loss

For the year ended 31st March, 2014

	Note	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Revenue	5	6,732,004	3,535,857
Cost of sales		(3,557,304)	(1,825,894)
Gross profit		3,174,700	1,709,963
Administrative expenses		(983,119)	(1,155,213)
Other operating expenses		(591,528)	(636,464)
Net fair value gains on investment properties		46,511	554,728
Gain on disposal of subsidiaries	37(b)	200,170	69,491
Gain on disposal of available-for-sale financial assets		132,511	19,531
Gain on disposal of investment properties		–	68,282
Gain on deemed disposal of an associate		–	24,065
Loss on derecognition of associates		–	(61,528)
Net fair value loss on financial instruments at fair value through profit or loss		(67,559)	(65,338)
Provisions for impairment losses:			
Intangible assets		(61,667)	(31,085)
Exploration and evaluation assets		(3,879)	(27,419)
Fixed assets		(27,288)	(2,088)
Associates		(28,589)	(36,771)
Available-for-sale financial assets		(14,290)	(44,693)
Write-down of exploration and evaluation assets		–	(26,117)
Finance costs	9	(121,334)	(126,614)
Share of results of associates		(42,846)	60,528
Share of results of joint ventures	10	(342,458)	(276,368)
Profit before tax	6	1,269,335	16,890
Income tax	11	(892,666)	(53,906)
Profit/(Loss) for the year/period		376,669	(37,016)
Attributable to:			
Equity holders of the Company	12	112,173	(10,002)
Non-controlling interests		264,496	(27,014)
		376,669	(37,016)
		HK cents	HK cents
Earnings/(Loss) per share attributable to equity holders of the Company			
Basic	13	23	(2)
Diluted		N/A	(2)

Details of the dividends payable and proposed for the year/period are disclosed in Note 14 to the financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31st March, 2014

	Note	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Profit/(Loss) for the year/period		376,669	(37,016)
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		(6,075)	87,256
Adjustments for disposal		(118,591)	(14,893)
Adjustment relating to disposal of a subsidiary	37(b)	–	(78,020)
Income tax effect		2,428	(1,635)
		(122,238)	(7,292)
Share of other comprehensive income/(loss) of joint ventures:			
Share of changes in fair value of available-for-sale financial assets		99,159	105,638
Share of effective portion of changes in fair value of cash flow hedges		(3,242)	4,336
Share of exchange differences on translation of foreign operations		(124,591)	298,599
		(28,674)	408,573
Exchange differences on translation of foreign operations		11,792	91,877
Adjustment relating to disposal of foreign subsidiaries	37(b)	(260,392)	–
Adjustment relating to deemed disposal of a foreign associate		–	10,504
Adjustment relating to derecognition of a foreign associate		–	61,365
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		(399,512)	565,027
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Surplus on revaluation of leasehold land and buildings		–	8,885
Income tax effect		–	(1,066)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		–	7,819
Other comprehensive income/(loss) for the year/period, net of tax		(399,512)	572,846
Total comprehensive income/(loss) for the year/period		(22,843)	535,830
Attributable to:			
Equity holders of the Company		(147,492)	303,691
Non-controlling interests		124,649	232,139
		(22,843)	535,830

Consolidated Statement of Financial Position

As at 31st March, 2014

	Note	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)	1st January, 2012 HK\$'000 (Restated)
Non-current assets				
Intangible assets	15	559,710	647,298	673,436
Exploration and evaluation assets	16	95,295	97,345	127,440
Fixed assets	17	358,936	400,440	478,695
Investment properties	18	2,353,558	4,721,327	4,688,129
Interests in associates	19	568,601	858,040	665,930
Interests in joint ventures	20	8,062,203	8,356,571	8,376,428
Held-to-maturity financial assets		–	–	27,265
Available-for-sale financial assets	21	222,527	396,283	494,983
Loans and advances	22	91,151	65,321	41,541
Debtors, prepayments and deposits	23	65,006	51,310	41,112
Other financial assets	24	–	17,639	–
Deferred tax assets	32	6,708	6,106	4,363
		12,383,695	15,617,680	15,619,322
Current assets				
Properties held for sale		186,370	23,033	77,882
Properties under development	25	1,186,341	2,724,676	1,465,655
Deposits paid for properties under development		–	–	192,624
Inventories	26	280,884	212,980	218,995
Loans and advances	22	276,447	267,160	204,678
Debtors, prepayments and deposits	23	654,430	860,219	576,521
Available-for-sale financial assets	21	3,753	–	–
Financial assets at fair value through profit or loss	27	347,888	588,619	471,771
Other financial assets	24	–	7,275	18,625
Tax recoverable		9,373	5,437	12,222
Client trust bank balances		311,353	356,002	550,716
Restricted cash	28	198,112	1,120,567	501,246
Treasury bills		33,950	9,700	–
Cash and bank balances		4,066,923	2,538,321	1,500,201
		7,555,824	8,713,989	5,791,136
Current liabilities				
Bank and other borrowings	29	1,207,297	653,368	633,836
Creditors, accruals and deposits received	30	1,737,248	4,227,889	2,133,610
Current, fixed, savings and other deposits of customers	31	332,180	266,786	120,225
Other financial liabilities	24	15,998	35,713	–
Tax payable		780,811	71,524	197,270
		4,073,534	5,255,280	3,084,941
Net current assets		3,482,290	3,458,709	2,706,195
Total assets less current liabilities		15,865,985	19,076,389	18,325,517

Consolidated Statement of Financial Position *(continued)*

As at 31st March, 2014

	Note	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)	1st January, 2012 HK\$'000 (Restated)
Non-current liabilities				
Bank and other borrowings	29	133,237	2,328,873	2,294,405
Creditors, accruals and deposits received	30	29,068	25,080	12,360
Other financial liabilities	24	–	131,359	97,508
Deferred tax liabilities	32	221,427	736,026	594,648
		383,732	3,221,338	2,998,921
Net assets				
		15,482,253	15,855,051	15,326,596
Equity				
Equity attributable to equity holders of the Company				
Issued capital	33	986,598	49,316	50,044
Reserves	35	7,644,563	8,799,246	8,448,142
		8,631,161	8,848,562	8,498,186
Non-controlling interests		6,851,092	7,006,489	6,828,410
		15,482,253	15,855,051	15,326,596

John Luen Wai Lee
Director

Stephen Riady
Director

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2014

	Attributable to equity holders of the Company														
	Issued capital	Share premium account	Share option reserve	Special capital reserve	Capital redemption reserve	Legal reserve	Regulatory reserve	Investment revaluation reserve	Other asset revaluation reserve	Hedging reserve	Exchange equalisation reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	(Note 35 (a)) HK\$'000	HK\$'000	(Note 35 (b)) HK\$'000	(Note 35 (c)) HK\$'000	HK\$'000	HK\$'000	(Note 35 (d)) HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st April, 2013															
As previously reported	49,316	914,519	1,175	1,709,202	22,763	4,055	1,470	269,532	20,153	-	907,791	4,948,586	8,848,562	6,103,970	14,952,532
Prior year adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	902,519	902,519
As restated	49,316	914,519	1,175	1,709,202	22,763	4,055	1,470	269,532	20,153	-	907,791	4,948,586	8,848,562	7,006,489	15,855,051
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	112,173	112,173	264,496	376,669
Other comprehensive income/(loss) for the year:															
Available-for-sale financial assets:															
Changes in fair value	-	-	-	-	-	-	-	(3,505)	-	-	-	-	(3,505)	(2,570)	(6,075)
Adjustments for disposal	-	-	-	-	-	-	-	(84,532)	-	-	-	-	(84,532)	(34,059)	(118,591)
Income tax effect	-	-	-	-	-	-	-	1,362	-	-	-	-	1,362	1,066	2,428
Share of other comprehensive income/(loss) of joint ventures	-	-	-	-	-	-	-	55,649	-	(1,819)	(69,684)	-	(15,854)	(12,820)	(28,674)
Exchange differences on translation of foreign operations	-	-	(93)	-	-	-	-	-	-	-	28,273	-	28,180	(16,388)	11,792
Adjustment relating to disposal of foreign subsidiaries	-	-	-	-	-	-	-	-	-	-	(185,316)	-	(185,316)	(75,076)	(260,392)
Total comprehensive income/(loss) for the year	-	-	(93)	-	-	-	-	(31,026)	-	(1,819)	(226,727)	112,173	(147,492)	124,649	(22,843)
Transfer to issued capital (Note 33)	937,282	(914,519)	-	-	(22,763)	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests without change in control (Note 38)	-	-	-	-	-	-	-	-	-	-	-	7,031	7,031	(78,107)	(71,076)
Share of equity movements arising on equity transactions of joint ventures	-	-	-	-	-	-	-	-	-	-	-	(42,419)	(42,419)	(33,166)	(75,585)
Repayment to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,316)	(4,316)
Transfer of reserve	-	-	-	-	-	1,115	-	-	-	-	-	(1,115)	-	-	-
2012/2013 final dividend declared and paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	-	(19,726)	(19,726)	-	(19,726)
2013/2014 interim dividend declared and paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	-	(14,795)	(14,795)	-	(14,795)
Dividends and distributions declared and paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(164,457)	(164,457)
At 31st March, 2014	986,598	-	1,082	1,709,202	-	5,170	1,470	238,506	20,153	(1,819)	681,064	4,989,735	8,631,161	6,851,092	15,482,253

Consolidated Statement of Changes in Equity *(continued)*

For the year ended 31st March, 2014

	Attributable to equity holders of the Company													Non-controlling interests	Total equity	
	Issued capital	Share premium account	Share option reserve	Special capital reserve	Capital redemption reserve	Legal reserve	Regulatory reserve	Investment revaluation reserve	Other asset revaluation reserve	Hedging reserve	Exchange equalisation reserve	Retained profits	Total			
	HK\$'000	HK\$'000	HK\$'000	(Note 35 (a)) HK\$'000	HK\$'000	(Note 35 (b)) HK\$'000	(Note 35 (c)) HK\$'000	HK\$'000	HK\$'000	(Note 35 (d)) HK\$'000	HK\$'000	HK\$'000	HK\$'000			HK\$'000
At 1st January, 2012																
As previously reported	50,044	914,519	24,955	1,709,202	22,035	3,876	458	216,195	25,634	(2,416)	654,230	4,879,454	8,498,186	5,928,198	14,426,384	
Prior year adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	900,212	900,212	
As restated	50,044	914,519	24,955	1,709,202	22,035	3,876	458	216,195	25,634	(2,416)	654,230	4,879,454	8,498,186	6,828,410	15,326,596	
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(10,002)	(10,002)	(27,014)	(37,016)	
Other comprehensive income(loss) for the period:																
Available-for-sale financial assets:																
Changes in fair value	-	-	-	-	-	-	-	61,341	-	-	-	-	61,341	25,915	87,256	
Adjustments for disposal	-	-	-	-	-	-	-	(10,857)	-	-	-	-	(10,857)	(4,036)	(14,893)	
Adjustment relating to disposal of a subsidiary	-	-	-	-	-	-	-	(55,597)	-	-	-	-	(55,597)	(22,423)	(78,020)	
Income tax effect	-	-	-	-	-	-	-	(916)	-	-	-	-	(916)	(719)	(1,635)	
Share of other comprehensive income of joint ventures	-	-	-	-	-	-	-	59,366	-	2,416	167,453	-	229,235	179,338	408,573	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	31,875	-	31,875	60,002	91,877	
Adjustment relating to deemed disposal of a foreign associate	-	-	-	-	-	-	-	-	-	-	10,504	-	10,504	-	10,504	
Adjustment relating to derecognition of a foreign associate	-	-	-	-	-	-	-	-	-	-	43,729	-	43,729	17,636	61,365	
Surplus on revaluation of leasehold land and buildings	-	-	-	-	-	-	-	-	4,976	-	-	-	4,976	3,909	8,885	
Income tax effect on surplus on revaluation of leasehold land and buildings	-	-	-	-	-	-	-	-	(597)	-	-	-	(597)	(469)	(1,066)	
Total comprehensive income(loss) for the period	-	-	-	-	-	-	-	53,337	4,379	2,416	253,561	(10,002)	303,691	232,139	535,830	
Repurchases of shares	(728)	-	-	-	728	-	-	-	-	-	-	(22,563)	(22,563)	-	(22,563)	
Repurchases of shares by subsidiaries (Note 38)	-	-	-	-	-	-	-	-	-	-	-	20,918	20,918	(33,722)	(12,804)	
Changes in non-controlling interests from the exercise of share options of subsidiaries (Note 38)	-	-	(861)	-	-	-	-	-	-	-	-	(9,416)	(10,277)	15,316	5,039	
Transfer of share option reserve upon expiry of share options	-	-	(23,057)	-	-	-	-	-	-	-	-	23,057	-	-	-	
Equity-settled share option arrangement	-	-	138	-	-	-	-	-	-	-	-	-	138	251	389	
Transfer of other asset revaluation reserve upon disposal of properties	-	-	-	-	-	-	-	-	(9,860)	-	-	9,860	-	-	-	
Share of equity movements arising on equity transactions of joint ventures	-	-	-	-	-	-	-	-	-	-	-	108,239	108,239	85,015	193,254	
Repayment to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,146)	(20,146)	
Transfer of reserve	-	-	-	-	-	179	1,012	-	-	-	-	(1,191)	-	-	-	
2011 final and special final dividends declared and paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	-	(34,972)	(34,972)	-	(34,972)	
2012 interim dividend declared and paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	-	(14,798)	(14,798)	-	(14,798)	
Dividends and distributions declared and paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(100,774)	(100,774)	
At 31st March, 2013 (restated)	49,316	914,519	1,175	1,709,202	22,763	4,055	1,470	269,532	20,153	-	907,791	4,948,586	8,848,562	7,006,489	15,855,051	

Consolidated Statement of Cash Flows

For the year ended 31st March, 2014

	Note	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Cash flows from operating activities			
Cash generated from operations	37(a)	1,478,824	337,323
Interest received		72,910	79,196
Dividends received from:			
Joint ventures		54,816	6,821
Listed and unlisted investments		13,051	6,752
Taxes paid:			
Hong Kong		(7,532)	(4,826)
Overseas		(85,068)	(41,625)
Net cash flows from operating activities		1,527,001	383,641
Cash flows from investing activities			
Proceeds from disposals of:			
Fixed assets		1,173	140,174
Investment properties		–	617,816
Held-to-maturity financial assets		–	17,686
Available-for-sale financial assets		185,206	62,930
Redeemable preference shares		129,951	–
Payments to acquire:			
Fixed assets		(86,211)	(142,680)
Exploration and evaluation assets		(10,056)	(22,353)
Held-to-maturity financial assets		–	(18,418)
Available-for-sale financial assets		(20,779)	(131,501)
Additions to investment properties		(70,247)	–
Increase in interests in an associate		–	(49,816)
Repayment from/(Advances to) associates		213,355	(17,094)
Investment in a joint venture		–	(79,066)
Decrease in interests in a joint venture		–	2,400
Repayment from/(Advances to) joint ventures		(261,406)	354,329
Disposal of subsidiaries, net of cash and cash equivalents disposed of	37(b)	748,197	173,976
Increase in time deposits with original maturity of more than three months		(719,660)	(200,988)
Net cash flows from investing activities		109,523	707,395

Consolidated Statement of Cash Flows *(continued)*

For the year ended 31st March, 2014

	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Cash flows from financing activities		
Interest paid	(94,068)	(156,478)
Drawdown of bank loans <i>(Note)</i>	720,480	1,728,079
Repayment of bank loans <i>(Note)</i>	(1,251,497)	(1,581,373)
Repayment of financing for redeemable preference shares	(12,124)	(15,356)
Repayment of obligations under finance leases	(358)	(249)
Repurchase of shares	–	(22,563)
Repurchase of shares by subsidiaries	–	(12,804)
Exercise of share options by option holders of subsidiaries	–	5,039
Acquisition of non-controlling interests	(71,076)	–
Repayment to non-controlling shareholders of subsidiaries	(4,316)	(20,146)
Dividends paid to shareholders of the Company	(34,521)	(49,770)
Dividends and distributions paid to non-controlling shareholders of subsidiaries	(164,457)	(100,774)
Decrease/(Increase) in pledged bank deposits	107,628	(36,154)
Net cash flows used in financing activities	(804,309)	(262,549)
Net increase in cash and cash equivalents	832,215	828,487
Cash and cash equivalents at beginning of year/period	2,347,033	1,500,201
Exchange realignments	(2,651)	18,345
Cash and cash equivalents at end of year/period	3,176,597	2,347,033
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	4,066,923	2,538,321
Treasury bills	33,950	9,700
Time deposits with original maturity of more than three months	(924,276)	(200,988)
	3,176,597	2,347,033

Note: The amounts exclude bank loans drawn down by the Group for lending to its margin clients in respect of the initial public offerings. All such bank loans were fully repaid during the year/period.

Statement of Financial Position

As at 31st March, 2014

	Note	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000
Non-current assets			
Fixed assets	17	917	1,301
Interests in subsidiaries	36	3,068,860	3,058,621
Available-for-sale financial assets	21	1,200	1,200
		3,070,977	3,061,122
Current assets			
Debtors, prepayments and deposits	23	1,654	1,430
Cash and bank balances		294,515	136,565
		296,169	137,995
Current liabilities			
Bank loans	29	205,000	250,000
Creditors, accruals and deposits received	30	1,666	1,308
		206,666	251,308
Net current assets/(liabilities)		89,503	(113,313)
Total assets less current liabilities		3,160,480	2,947,809
Non-current liabilities			
Bank loans	29	130,000	185,000
Net assets		3,030,480	2,762,809
Equity			
Issued capital	33	984,440	49,316
Reserves	35	2,046,040	2,713,493
		3,030,480	2,762,809

John Luen Wai Lee
Director

Stephen Riady
Director

Notes to the Financial Statements

1. CORPORATE INFORMATION

Lippo Limited is a limited liability company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China. The registered office of the Company is located at 24th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

The principal activity of the Company is investment holding. Its subsidiaries, associates, joint ventures and joint operations are principally engaged in investment holding, property investment, property development, hotel operation, food business, property management, project management, mineral exploration, extraction and processing, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

The immediate holding company and the ultimate holding company of the Company is Lippo Capital Limited ("Lippo Capital") which is incorporated in the Cayman Islands.

2.1 BASIS OF PREPARATION

Change of financial year end date

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, the current financial statements which cover a twelve-month period from 1st April, 2013 to 31st March, 2014 (the "year ended 31st March, 2014") may not be comparable with the comparative figures which cover a fifteen-month period from 1st January, 2012 to 31st March, 2013 (the "period ended 31st March, 2013").

Statement of compliance

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st March, 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All significant intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Notes to the Financial Statements *(continued)*

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements:

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities Consolidated Financial Statements</i>
HKFRS 10	<i>Joint Arrangements</i>
HKFRS 11	<i>Disclosure of Interests in Other Entities</i>
HKFRS 12	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — <i>Transition Guidance</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	<i>Fair Value Measurement</i>
HKFRS 13	Amendments to HKAS 1 <i>Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income</i>
HKAS 1 Amendments	<i>Employee Benefits</i>
HKAS 19 (2011)	<i>Separate Financial Statements</i>
HKAS 27 (2011)	<i>Investments in Associates and Joint Ventures</i>
HKAS 28 (2011)	Amendments to HKAS 36 <i>Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets</i> (early adopted)
HKAS 36 Amendments	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
HK(IFRIC)-Int 20	Amendments to a number of HKFRSs issued in June 2012
<i>Annual Improvements 2009–2011 Cycle</i>	

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 11, HKFRS 12, HKFRS 13, amendments to HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 1, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation — Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group. The application of HKFRS 10 affects the accounting for the Group's interests in Auric Pacific Group Limited ("Auric"), Asia Now Resources Corp. ("Asia Now") and Lippo ASM Asia Property LP ("LAAP").

Auric is a company listed on the Singapore Exchange Securities Trading Limited. The Group's interest in Auric, held through non-wholly owned subsidiaries, was reduced from 51.2 per cent. to 49.3 per cent. in February 2006, and Auric was regarded as an associate of the Group and was 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 control in Auric under HKFRS 10. Upon the adoption of HKFRS 10, Auric has been treated as a subsidiary of the Group and is consolidated as if HKFRS 10 had always been effective.

Asia Now is a company listed on the TSX Venture Exchange of Canada. The Group, through a non-wholly owned subsidiary, held approximately a 49.9 per cent. in its issued share capital since November 2010, and Asia Now was regarded as an associate of the Group and was 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 has been treated as a subsidiary of the Group and is consolidated as if HKFRS 10 had always been effective.

LAAP was a limited partnership of which a non-wholly owned subsidiary of the Group was a limited partner since 2005. LAAP was regarded as an associate of the Group and was accounted for using the equity method of accounting. Having considered the new definition of control and the additional guidance on the principal-agency relationship set out in HKFRS 10, the Group has determined that its interest held would be sufficient to give it control over LAAP since 2005 under HKFRS 10. Upon the adoption of HKFRS 10, LAAP has been treated as a subsidiary of the Group and is consolidated as if HKFRS 10 had always been effective.

Notes to the Financial Statements *(continued)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

Upon the adoption of HKFRS 10 on 1st April, 2013, retrospective adjustments have been made to the previous accounting as if HKFRS 10 had always been effective. Non-controlling interests have been recognised based on the proportionate share of net assets of the subsidiaries. The opening balances as at 1st January, 2012 and comparative information for the period ended 31st March, 2013 have been restated in the consolidated financial statements. The quantitative impact on the financial statements is summarised below:

	Period ended 31st March, 2013 HK\$'000
<i>Consolidated statement of profit or loss</i>	
Increase in revenue	3,007,636
Increase in cost of sales	(1,717,423)
Increase in gross profit	1,290,213
Increase in administrative expenses	(879,120)
Increase in other operating expenses	(390,409)
Increase in net fair value loss on financial instruments at fair value through profit or loss	(5,671)
Increase in provision for impairment loss on intangible assets	(31,085)
Increase in provision for impairment loss on exploration and evaluation assets	(27,419)
Increase in provision for impairment loss on fixed assets	(2,088)
Increase in provision for impairment loss on available-for-sale financial assets	(21,442)
Increase in write-down of exploration and evaluation assets	(26,117)
Increase in finance costs	(18,176)
Increase in share of results of associates	265,074
Decrease in share of results of joint ventures	(276,069)
Decrease in profit before tax	(122,309)
Decrease in income tax expense	104,983
Increase in loss for the period	(17,326)
Increase in loss for the period attributable to non-controlling interests	(17,326)
<i>Consolidated statement of comprehensive income</i>	
Increase in loss for the period	(17,326)
Decrease in share of other comprehensive income of associates	(405,059)
Increase in share of other comprehensive income of joint ventures	408,573
Increase in exchange differences on translation of foreign operations	30,468
Increase in total comprehensive income for the period	16,656
Increase in total comprehensive income for the period attributable to non-controlling interests	16,656

The adoption of HKFRS 10 did not have any impact on the loss per share attributable to equity holders of the Company for the period ended 31st March, 2013.

Notes to the Financial Statements *(continued)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

	31st March, 2013 HK\$'000	1st January, 2012 HK\$'000
<i>Consolidated statement of financial position</i>		
Non-current assets		
Increase in intangible assets	575,813	601,951
Increase in exploration and evaluation assets	97,345	127,440
Increase in fixed assets	249,793	207,683
Decrease in interests in associates	(9,019,250)	(8,588,500)
Increase in interests in joint ventures	8,257,018	8,182,032
Increase in available-for-sale financial assets	52,085	87,067
Increase in debtors, prepayments and deposits	51,310	41,112
Increase in deferred tax assets	6,106	4,363
	270,220	663,148
Current assets		
Increase in inventories	212,980	218,995
Increase in debtors, prepayments and deposits	402,382	410,002
Increase in financial assets at fair value through profit or loss	229,073	243,254
Increase in tax recoverable	5,437	12,222
Increase in restricted cash	33,204	34,951
Increase in cash and bank balances	410,812	414,659
	1,293,888	1,334,083
Current liabilities		
Increase in bank and other borrowings	35,785	343,147
Increase in creditors, accruals and deposits received	449,452	469,897
Increase in tax payable	22,867	143,304
	508,104	956,348
Non-current liabilities		
Increase in bank and other borrowings	519	–
Increase in creditors, accruals and deposits received	25,080	12,360
Increase in other financial liabilities	98,919	97,508
Increase in deferred tax liabilities	28,967	30,803
	153,485	140,671
Increase in net assets	902,519	900,212
Increase in non-controlling interests and equity	902,519	900,212

Notes to the Financial Statements *(continued)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

	Period ended 31st March, 2013 HK\$'000
<i>Consolidated statement of cash flows</i>	
Increase in net cash flows from operating activities	144,623
Increase in net cash flows from investing activities	122,106
Decrease in net cash flows from financing activities	(286,063)
Net decrease in cash and cash equivalents	(19,334)
Increase in cash and cash equivalents at beginning of period	414,659
Increase in exchange realignments	15,487
Increase in cash and cash equivalents at end of period	410,812

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011).

The directors of the Company reviewed and assessed the classification of the Group's interests in joint arrangements in accordance with the requirements of HKFRS 11, and concluded that the application of HKFRS 11 does not change the classification of the Group's interests in joint ventures.

HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities. Details of the disclosures for subsidiaries, joint ventures and associates are included in Notes 36, 20 and 19, respectively, to the financial statements.

The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(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 rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended. Additional disclosures required by HKFRS 13 for the fair value measurements of investment properties and financial instruments are included in Notes 18 and 44, respectively, to the financial statements.

The HKAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in these financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements:

HKFRS 9	<i>Financial Instruments</i> ⁵
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	<i>Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39</i> ⁵
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — <i>Investment Entities</i> ¹
HKFRS 11 Amendments	<i>Accounting for Acquisitions of Interests in Joint Operations</i> ³
HKFRS 14	<i>Regulatory Deferral Accounts</i> ⁴
HKAS 16 and HKAS 38 Amendments	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ³
HKAS 19 Amendments	Amendments to HKAS 19 <i>Employee Benefits</i> — <i>Defined Benefit Plans: Employee Contributions</i> ²
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> — <i>Offsetting Financial Assets and Financial Liabilities</i> ¹
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement</i> — <i>Novation of Derivatives and Continuation of Hedge Accounting</i> ¹
HK(IFRIC)-Int 21	<i>Levies</i> ¹
<i>Annual Improvements 2010–2012 and 2011–2013 Cycles</i>	Amendments to a number of HKFRSs issued in January 2014 ²

¹ Effective for annual periods beginning on or after 1st January, 2014

² Effective for annual periods beginning on or after 1st July, 2014

³ Effective for annual periods beginning on or after 1st January, 2016

⁴ Effective for the first annual HKFRS financial statements for the period beginning on or after 1st January, 2016

⁵ No mandatory effective date yet determined but is available for adoption

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

Further information about those HKFRSs that are expected to significantly affect the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated as at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

In December 2013, the HKICPA added to HKFRS 9 the requirements related to hedge accounting and made some related changes to HKAS 39 and HKFRS 7 which include the corresponding disclosures about risk management activity for applying hedge accounting. The amendments to HKFRS 9 relax the requirements for assessing hedge effectiveness which result in more risk management strategies being eligible for hedge accounting. The amendments also allow greater flexibility on the hedged items and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments. In addition, the amendments to HKFRS 9 allow an entity to apply only the improved accounting for own credit risk-related fair value gains and losses arising on FVO liabilities as introduced in 2010 without applying the other HKFRS 9 requirements at the same time.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on impairment of financial assets continues to apply. The previous mandatory effective date of HKFRS 9 was removed by the HKICPA in December 2013 and a mandatory effective date will be determined after the entire replacement of HKAS 39 is completed. However, the standard is available for application now. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Subsidiaries**

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) the contractual arrangement with the other vote holders of the investee;
- (ii) rights arising from other contractual arrangements; and
- (iii) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

(b) **Interests in associates and joint ventures**

An associate is an entity in which the Group has a long term interest of generally not less than 20 per cent. of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's interests in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's interests in associates or joint ventures.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Interests in associates and joint ventures *(continued)*

If an interest in an associate becomes an interest in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The results of associates and joint ventures are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's interests in associates and joint ventures are treated as non-current assets and are stated at cost less any impairment losses.

(c) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises in relation to its interest in a joint operation:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Business combinations and goodwill *(continued)*

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU"), or groups of CGU, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGU) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGU) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a CGU (or group of CGU) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed operation and the portion of the CGU retained.

(e) Fair value measurement

The Group measures its investment properties and certain financial instruments at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Fair value measurement *(continued)*

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(f) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, investment properties, properties held for sale and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or CGU's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(h) Fixed assets and depreciation

Fixed assets, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of fixed assets comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of fixed assets are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Notes to the Financial Statements *(continued)*

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Fixed assets and depreciation *(continued)*

Depreciation is calculated on the straight-line basis to write off the cost of each item of fixed assets to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land under finance leases and buildings	Over the remaining lease terms
Leasehold improvements	Over the unexpired terms of the leases
Furniture, fixtures, plant and equipment	10 per cent. to 100 per cent.
Motor vehicles	12 per cent. to 33 $\frac{1}{3}$ per cent.

Where parts of an item of fixed assets have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of fixed assets including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is not depreciated as the asset is not available for use. Construction in progress is reclassified to the appropriate category of fixed assets when completed and ready for use.

(i) Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period. When fair value is not reliably determinable for the properties under development, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably determinable.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of investment properties are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Fixed assets and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is dealt with as movements in the other asset revaluation reserve. On disposal of the asset, the relevant portion of the other asset revaluation reserve realised in respect of previous valuations is transferred to the retained profits as a movement in reserves.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets relating to unpatented technology, customer relationships, management service agreement, and order backlog acquired in a business combination have finite useful lives and are measured at cost less accumulated amortisation and impairment losses. These intangible assets are amortised in the statement of profit or loss on a straight-line basis over their estimated useful lives as follows:

Unpatented technology	10 per cent.
Customer relationships	10 per cent.
Management service agreement	33 $\frac{1}{3}$ per cent.
Order backlog	100 per cent.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Trademarks

Trademarks were acquired in business combinations. The useful life of the "Food Junction" trademark is estimated to be indefinite given that no legal, regulatory, contractual, competitive, economic or any other factors limit the life of the trademarks. The useful life of the "Malone's" trademark is estimated to be indefinite because it is expected to contribute to net cash inflows indefinitely. As a result, trademarks would not be amortised until the useful life is determined to be finite. Trademarks would be tested for impairment in accordance with HKFRS 36 annually and whenever there is an indication that it may be impaired.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Intangible assets (other than goodwill) *(continued)*

Trademark licence agreement

Trademark licence agreement (the "Agreement") was acquired in a business combination. The Agreement relates to the right to use a trademark, and allows for automatic renewal without significant cost. As a result, management believes there is no foreseeable limit to the period over which the Agreement is expected to generate net cash inflows to the Group, and the useful life of the Agreement is estimated to be indefinite (Note 3(a)).

(k) Exploration and evaluation assets

The Group, through its interests in joint arrangements, has investment in mineral properties, which is in the exploration stage. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognised and capitalised on a property by property basis. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted had no impairment been recognised.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Group recognises in the statement of profit or loss costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

All capitalised exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the statement of profit or loss. Exploration areas where reserves have been discovered but require major capital expenditure before production can begin are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

(l) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, are included in fixed assets, and depreciated over the shorter of the lease term and the estimated useful life of the asset. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease term.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(l) Leases *(continued)*

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in fixed assets.

(m) Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

The Group's financial assets at fair value through profit or loss which are under regular way of purchases or sales are recognised on the trade date, that is, the date the Group commits to purchase or sell the asset. All regular way purchases or sales of loans and receivables and available-for-sale financial assets are recognised on the settlement date, that is, the date the asset is received or delivered by the Group. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Investments and other financial assets *(continued)*

Subsequent measurement (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities, debt securities and investment funds. Equity investments and investment funds classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the investment revaluation reserve until the financial assets are derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss, or until the financial assets are determined to be impaired, when the cumulative gain or loss is reclassified from the investment revaluation reserve to the statement of profit or loss. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as revenue in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity securities, debt securities and investment funds cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that financial asset, or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities and funds are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- (i) the rights to receive cash flows from the asset have expired; or
- (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(o) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) Impairment of financial assets *(continued)*

Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the statement of profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial assets

For available-for-sale financial assets, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss — is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through the statement of profit or loss if the subsequent increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include creditors, accruals and deposits received, bank and other borrowings, current, fixed, savings and other deposits of customers and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Loan and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

(r) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(s) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows). Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond twelve months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.

(t) Redeemable preference shares

Redeemable preference shares issued by a subsidiary relate to the Group's real estate fund investment activities and are classified as financial liabilities at fair value through profit or loss. The liabilities arising from the redeemable shares are carried at the redemption amount being the net asset value calculated in accordance with HKFRS.

For the purpose of calculating the net assets attributable to shareholders in accordance with the redemption requirements, the assets and liabilities relating to the real estate fund investment activities are measured at fair value.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(u) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value which is determined by reference to prevailing market prices, on an individual property basis.

(v) Properties under development

Properties under development intended for sale are classified as current assets and stated at the lower of cost and net realisable value. Properties being constructed or developed as investment properties are classified as investment properties and accounted for in accordance with the policy stated under "Investment properties". Other properties under development are stated at cost less any impairment losses. Costs comprise the cost of land, development expenditure, other attributable costs and borrowing costs capitalised. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

(w) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- (i) raw materials and stores: purchase costs on a weighted-average basis; and
- (ii) finished goods and goods for sale: costs of direct materials, labour and production overheads based on the level of normal activity, assigned on a weighted-average basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(x) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits, treasury bills, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and bank balances comprise cash on hand, cash at banks and demand deposits which are not restricted as to use.

(y) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(y) Provisions *(continued)*

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general guidance for provisions above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition.

(z) Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of taxable temporary differences associated with interests in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- (i) when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(z) Income tax *(continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(aa) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

(ab) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received or receivable for goods sold and services provided in the normal course of business, net of discounts and sales-related taxes.

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when revenue can be measured reliably, on the following bases:

- (i) rental income, in the period in which the properties are let and on the straight-line basis over the lease terms. Contingent rent, which is determined based on a factor other than just the passage of time, is recognised when the Group's entitlement to receive payment has been established in accordance with the terms of the agreements;
- (ii) income from the sale of properties, on the exchange of legally binding unconditional sales contracts or when the relevant completion certificates are issued by the respective government authorities, whichever is later;
- (iii) dealings in securities and sale of investments, on the transaction dates when the relevant contract notes are exchanged or the settlement dates when the securities are delivered;
- (iv) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instruments to the net carrying amount of the financial assets;
- (v) dividend income, when the shareholders' right to receive payment has been established;
- (vi) management and service fee income, when the services have been rendered;
- (vii) revenue from sale of goods, upon the transfer of significant risks and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods;

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(ab) Revenue recognition *(continued)*

- (viii) revenue from sale of food and beverage, upon the delivery to and acceptance by customers, net of sales discounts;
- (ix) revenue from operation of food courts, when fees are charged to the food court tenants based on a percentage of their gross sales; and
- (x) royalty and franchise income, on percentage of sales to the franchisees. Franchise income under the "Delifrance" trademark is recognised in accordance with the underlying agreements.

(ac) Employee benefits

Paid leave entitlement

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of each reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward at the end of each reporting period.

Retirement benefits

The Group operates defined contribution Mandatory Provident Fund retirement benefit schemes (the "MPF Schemes") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Schemes. Contributions are made based on a percentage of the employees' relevant income and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Schemes. The assets of the MPF Schemes are held separately from those of the Group in independently administered funds. The Group's employer contributions vest fully with the employees when contributed into the MPF Schemes except for the Group's employer voluntary contributions forfeited when the employees leave employment prior to fully vesting in such contributions, which can be used to reduce the amount of future employer contributions or to offset against future administration expenses, in accordance with the rules of the MPF Schemes.

The employees of the Group's subsidiaries which operate in mainland China are required to participate in a central pension scheme operated by the local municipal government. Contributions are made to the central pension scheme based on a percentage of the employees' relevant income and are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Singapore companies in the Group make contributions to the Central Provident Fund Scheme ("CPF") in Singapore, a defined contribution pension scheme. Contributions to the CPF are recognised as an expense in the statement of profit or loss in the period in which the related service is performed.

Share-based payments

The Company and certain of its subsidiaries operate share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(ac) Employee benefits *(continued)*

Share-based payments (continued)

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using an adjusted Black-Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(ad) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(ae) Dividends and distributions

Final dividends and distributions proposed by the Directors after the end of the reporting period are not recognised as a liability at the end of the reporting period. When these dividends and distributions have been approved by the shareholders and declared in a general meeting, they are recognised as a liability.

Interim dividends and distributions are simultaneously proposed and declared because the Company's memorandum and articles of association grant the Directors the authority to declare interim dividends and distributions. Consequently, interim dividends and distributions are recognised immediately as a liability when they are proposed and declared.

(af) Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or the statement of profit or loss is also recognised in other comprehensive income or the statement of profit or loss, respectively).

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange equalisation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows or at an approximation thereto, the weighted average exchange rates for the year. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Useful life of trademark licence agreement

Trademark licence agreement arose from the Group's acquisition of Edmonton Investments Pte Ltd in 2008, and was related to the right to use the "Delifrance" trademark granted under a licence agreement. Since its acquisition in 2008, management had estimated the useful life of trademark licence agreement to be indefinite, as management believed that there was no foreseeable limit to the period over which the agreement was expected to generate net cash inflows to the Group. Moreover, the agreement allowed for automatic renewal without significant cost.

In September 2011, Grand Moulins De Paris ("GMP") renewed the trademark licence agreement for a period of seven years. The revised agreement shall be further extended for a period of seven years and beyond, subject to the satisfactory compliance with the terms and conditions of the revised agreement. Management believes it would be able to meet the new terms and conditions in the revised agreement and the agreement would be renewed beyond the period of twenty one years. There is no foreseeable limit to the period over which the revised agreement is expected to generate net cash inflows to the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(a) Judgements *(continued)*

Consolidation of entities in which the Group holds less than a majority of voting rights

The Group considers that it controls Auric and Asia Now even though it holds 49.3 per cent. interest in Auric and 49.9 per cent. interests in Asia Now through its non-wholly owned subsidiaries. This is because the Group has held significantly more voting rights in each of Auric and Asia Now than any other vote holders and the other shareholdings in each of them are widely dispersed.

Classification of joint arrangements as joint operations

The Group assesses the existing business structure and terms of contractual arrangement of the joint arrangement agreements and considers the various joint ventures under Asia Now are joint operations. This is because although these joint ventures operate through limited liability companies, they do not issue shares. Each party involved in these companies determines its profit and risk based upon their relative interest in the joint venture under the contractual terms of the joint arrangement agreements. Details of the joint operations are set out on page 173.

(b) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (i) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- (ii) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Further details, including the key assumptions used for fair value measurement and a sensitivity analysis, are given in Note 18 to the financial statements.

Impairment of non-financial assets

Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(b) Estimation uncertainty *(continued)*

Impairment of non-financial assets (continued)

As disclosed in Note 15 to the financial statements, the recoverable amounts of the CGU, which goodwill, trademarks and trademark licence agreement have been allocated to, have been determined based on value in use calculations. The value in use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis are disclosed and further explained in Note 15 to the financial statements.

Impairment of available-for-sale financial assets

The Group classifies certain assets as available for sale and recognises movements of their fair values in equity. When the fair value declines, management makes assessment about the decline in value to determine whether there is an impairment that should be recognised in the statement of profit or loss. Impairment losses of HK\$14,290,000 (period ended 31st March, 2013 — HK\$44,693,000, restated) was provided for available-for-sale financial assets for the year. The carrying amount of available-for-sale financial assets as at 31st March, 2014 was HK\$226,280,000 (31st March, 2013 — HK\$396,283,000, restated).

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. 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 money markets;
- (d) the securities investment segment includes dealings in securities and financial assets available-for-sale;
- (e) the corporate finance and securities broking segment provides securities and futures brokerage, investment banking, underwriting and other related advisory services;
- (f) the banking business segment engages in the provision of commercial and retail banking services;
- (g) the food businesses segment mainly includes distribution of customer food and non-food products, food manufacturing and retailing, the management of restaurants and food court operations; and
- (h) the "other" segment comprises principally mineral exploration, extraction and processing, the development of computer hardware and software, money lending and the provision of property, project and fund management and investment advisory services.

Notes to the Financial Statements *(continued)*

4. SEGMENT INFORMATION *(continued)*

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 corporate expenses and finance costs unallocated are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable and other head office and corporate assets which are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other head office and corporate liabilities which are managed on a group basis.

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

Year ended 31st March, 2014

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Corporate finance and securities broking HK\$'000	Banking business HK\$'000	Food businesses HK\$'000	Other HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
Revenue										
External	189,952	3,844,180	48,836	50,462	28,905	19,344	2,511,649	38,676	-	6,732,004
Inter-segment	18,484	-	-	-	1,270	-	-	4,507	(24,261)	-
Total	208,436	3,844,180	48,836	50,462	30,175	19,344	2,511,649	43,183	(24,261)	6,732,004
Segment results	396,002	1,629,848	48,716	98,295	(6,289)	1,848	(136,826)	(47,938)	(1,816)	1,981,840
	<i>(Note (a))</i>									
Unallocated corporate expenses										(208,395)
Finance costs										(118,806)
Share of results of associates	-	(39,508)	-	-	-	-	(31)	(3,307)	-	(42,846)
Share of results of joint ventures	(528,275)	180,952	-	-	-	-	4,865	-	-	(342,458)
Profit before tax										1,269,335
Segment assets	2,536,461	1,677,556	3,673,513	528,507	417,333	446,050	1,858,428	126,601	(13,541)	11,250,908
Interests in associates	7,841	504,988	-	-	-	-	1,708	54,064	-	568,601
Interests in joint ventures	7,919,901	129,183	-	-	-	-	13,119	-	-	8,062,203
Unallocated assets										57,807
Total assets										19,939,519
Segment liabilities	627,306	1,424,531	-	245,440	361,316	336,027	543,747	595,070	(2,019,233)	2,114,204
Unallocated liabilities										2,343,062
Total liabilities										4,457,266

Notes to the Financial Statements *(continued)*

4. SEGMENT INFORMATION *(continued)* Year ended 31st March, 2014 *(continued)*

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Corporate finance and securities broking HK\$'000	Banking business HK\$'000	Food businesses HK\$'000	Other HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
Other segment information:										
Capital expenditure <i>(Note (b))</i>	70,726	740	-	-	173	1,622	88,251	10,367	-	171,879
Depreciation	(1,393)	(1,057)	-	-	(410)	(1,233)	(90,052)	(861)	-	(95,006)
Amortisation of intangible assets	-	-	-	-	-	-	(17,267)	-	-	(17,267)
Interest income	-	-	48,836	5,295	-	17,032	3,627	8,670	-	83,460
Finance costs	-	-	-	-	(111)	-	(2,417)	-	-	(2,528)
Gain on disposal of:										
Subsidiaries	203,718	-	-	-	-	-	-	(3,548)	-	200,170
Available-for-sale financial assets	-	-	-	132,511	-	-	-	-	-	132,511
Write-back of provision/(Provisions) for impairment losses:										
Intangible assets	-	-	-	-	-	-	(61,667)	-	-	(61,667)
Exploration and evaluation assets	-	-	-	-	-	-	-	(3,879)	-	(3,879)
Fixed assets	-	-	-	-	-	-	(27,288)	-	-	(27,288)
Associates	-	-	-	-	(778)	-	-	(27,811)	-	(28,589)
A joint venture	-	(14,645)	-	-	-	-	-	-	-	(14,645)
Available-for-sale financial assets	-	-	-	(14,000)	-	-	(290)	-	-	(14,290)
Inventories	-	-	-	-	-	-	(13,826)	-	-	(13,826)
Properties held for sale	1,086	-	-	-	-	-	-	-	-	1,086
Write-back of allowance/(Allowance) for bad and doubtful debts relating to:										
Banking operation	-	-	-	-	-	(176)	-	-	-	(176)
Non-banking operations	-	-	-	-	4,059	-	(5,254)	-	-	(1,195)
Write-down of fixed assets	-	-	-	-	-	-	(2,695)	-	-	(2,695)
Net fair value loss on financial instruments at fair value through profit or loss	-	-	-	(63,627)	-	-	(2,892)	-	-	(66,519)
Net fair value gains on investment properties	46,511	-	-	-	-	-	-	-	-	46,511
Unallocated:										
Capital expenditure <i>(Note (b))</i>										1,959
Depreciation										(3,801)
Finance costs										(118,806)
Net fair value loss on financial instruments at fair value through profit or loss										(1,040)

Notes to the Financial Statements *(continued)*

4. SEGMENT INFORMATION *(continued)* Period ended 31st March, 2013 (restated)

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Corporate finance and securities broking HK\$'000	Banking business HK\$'000	Food businesses HK\$'000	Other HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
Revenue										
External	274,267	77,713	20,334	32,272	41,828	19,124	3,016,857	53,462	-	3,535,857
Inter-segment	22,872	-	-	-	-	-	-	9,811	(32,683)	-
Total	297,139	77,713	20,334	32,272	41,828	19,124	3,016,857	63,273	(32,683)	3,535,857
Segment results	850,069	(62,786)	19,970	48,066	(14,770)	612	(19,657)	(114,231)	(9,129)	698,144
	<i>(Note (a))</i>									
Unallocated corporate expenses										(341,814)
Finance costs										(123,600)
Share of results of associates	-	53,204	-	-	-	-	-	7,324	-	60,528
Share of results of joint ventures	(281,813)	(147)	-	-	-	-	5,620	(28)	-	(276,368)
Profit before tax										16,890
Segment assets	4,939,810	4,433,569	1,765,095	723,039	449,713	391,854	2,193,748	164,853	(1,829)	15,059,852
Interests in associates	5,965	763,671	-	-	778	-	1,762	85,864	-	858,040
Interests in joint ventures	8,323,598	20,611	-	-	-	-	12,362	-	-	8,356,571
Unallocated assets										57,206
Total assets										24,331,669
Segment liabilities	537,680	3,515,006	-	511,458	387,826	274,927	602,818	658,317	(1,869,925)	4,618,107
Unallocated liabilities										3,858,511
Total liabilities										8,476,618

4. SEGMENT INFORMATION (continued)
 Period ended 31st March, 2013 (restated) (continued)

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Corporate finance and securities broking HK\$'000	Banking business HK\$'000	Food businesses HK\$'000	Other HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
Other segment information:										
Capital expenditure (Note (b))	6,433	1,555	-	-	542	2,328	135,003	22,912	-	168,773
Depreciation	(3,456)	(1,151)	-	-	(632)	(1,312)	(86,907)	(1,277)	-	(94,735)
Amortisation of intangible assets	-	-	-	-	-	-	(21,868)	-	-	(21,868)
Interest income	-	-	20,334	5,120	-	14,847	36,608	1,932	-	78,841
Finance costs	-	-	-	-	(24)	-	(2,990)	-	-	(3,014)
Gain on disposal of:										
Investment properties	68,282	-	-	-	-	-	-	-	-	68,282
Subsidiaries	-	-	-	68,891	-	-	-	600	-	69,491
Available-for-sale financial assets	-	-	-	19,531	-	-	-	-	-	19,531
Write-back of provision/(Provisions) for impairment losses:										
Intangible assets	-	-	-	-	-	-	(31,085)	-	-	(31,085)
Exploration and evaluation assets	-	-	-	-	-	-	-	(27,419)	-	(27,419)
Fixed assets	-	-	-	-	-	-	(2,088)	-	-	(2,088)
Associates	-	-	-	-	-	-	-	(36,771)	-	(36,771)
A joint venture	-	(2,219)	-	-	-	-	-	-	-	(2,219)
Available-for-sale financial assets	-	-	-	(23,251)	-	-	(21,442)	-	-	(44,693)
Inventories	-	-	-	-	-	-	(20,261)	-	-	(20,261)
Properties held for sale	465	-	-	-	-	-	-	-	-	465
Properties under development	-	(156)	-	-	-	-	-	-	-	(156)
Write-back of allowance/(Allowance) for bad and doubtful debts relating to:										
Banking operation	-	-	-	-	-	558	-	-	-	558
Non-banking operations	-	-	-	-	4,770	-	(1,933)	-	-	2,837
Write-down of:										
Exploration and evaluation assets	-	-	-	-	-	-	-	(26,117)	-	(26,117)
Fixed assets	-	-	-	-	-	-	(7,878)	-	-	(7,878)
Net fair value loss on financial instruments at fair value through profit or loss	-	-	-	(44,286)	-	-	(5,671)	-	-	(49,957)
Net fair value gains on investment properties	554,728	-	-	-	-	-	-	-	-	554,728
Unallocated:										
Capital expenditure (Note (b))										10,802
Depreciation										(9,128)
Finance costs										(123,600)
Net fair value loss on financial instruments at fair value through profit or loss										(15,381)

Note:

- (a) The amount included net fair value gains on investment properties of HK\$46,511,000 (period ended 31st March, 2013 — HK\$554,728,000) and gain on disposal of subsidiaries of HK\$203,718,000 (period ended 31st March, 2013 — Nil).
- (b) Capital expenditure includes additions to fixed assets, investment properties, intangible assets and exploration and evaluation assets.

Notes to the Financial Statements *(continued)*

4. SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Hong Kong	381,437	478,791
Macau	24,067	24,718
Mainland China	4,066,972	291,271
Republic of Singapore	1,678,282	1,982,441
Malaysia	565,735	705,737
Other	15,511	52,899
	6,732,004	3,535,857

The revenue information above is based on the location of the customers.

(b) Non-current assets

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Hong Kong	1,609,857	1,224,228
Macau	159,488	153,280
Mainland China	895,220	3,683,285
Republic of Singapore	9,121,208	9,728,064
Malaysia	22,754	36,356
Other	210,227	277,451
	12,018,754	15,102,664

The non-current asset information above is based on the location of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Revenue of approximately HK\$1,127,405,000 for the year ended 31st March, 2014 was derived from sales by the property development segment to a single customer. No revenue from a single customer accounted for 10 per cent. or more of the total revenue for the period ended 31st March, 2013.

5. REVENUE

Revenue, which is also the Group's turnover, represents the aggregate of gross rental income, proceeds from sales of properties, income on treasury investment which includes interest income on bank deposits, income from securities investment which includes gain/(loss) on sales of securities investment, dividend income and related interest income, income from underwriting and securities broking, gross interest income, commissions, dealing income and other revenue from a banking subsidiary, income from sales of goods and food and beverage, fee income from operation of food courts, gross income from property and project 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:

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Property investment	189,952	274,267
Property development (<i>Note</i>)	3,844,180	77,713
Treasury investment	50,298	22,742
Securities investment	55,815	72,878
Corporate finance and securities broking	28,905	41,828
Banking business	19,344	19,124
Sales of goods	1,651,713	1,936,876
Sales of food and beverage	706,414	854,365
Fees charged to food court stallholders	130,198	165,012
Other	55,185	71,052
	6,732,004	3,535,857

Note: The revenue for the year ended 31st March, 2014 represents proceeds from sales of properties of the property development project in Beijing which was completed during the year.

Revenue attributable to the banking business represents revenue generated from The Macau Chinese Bank Limited ("MCB"), a licensed credit institution under the Financial System Act of the Macao Special Administrative Region of the People's Republic of China. Revenue attributable to the banking business is analysed as follows:

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000
Interest income	17,032	14,847
Commission income	2,186	3,619
Other revenue	126	658
	19,344	19,124

Notes to the Financial Statements *(continued)*

6. PROFIT BEFORE TAX

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

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Gross rental income from land and buildings	189,952	274,267
Less: Outgoings	(21,048)	(30,007)
Net rental income	168,904	244,260
Employee benefit expense <i>(Note (a))</i> :		
Wages and salaries	(569,911)	(700,770)
Equity-settled share option expense	–	(258)
Retirement benefit costs <i>(Note (b))</i>	(47,714)	(51,191)
Total staff costs	(617,625)	(752,219)
Interest income:		
Unlisted financial assets at fair value through profit or loss	–	971
Listed available-for-sale financial assets	4,972	4,039
Unlisted available-for-sale financial assets	323	–
Listed held-to-maturity financial assets	–	1,030
Financial assets at fair value through profit or loss designated as such upon initial recognition	2,165	33,280
Loans and advances	8,670	1,932
Banking business	17,032	14,847
Other	50,298	22,742
Dividend income:		
Listed investments	7,298	3,518
Unlisted investments	5,747	3,459
Gain/(Loss) on disposal of:		
Listed financial assets at fair value through profit or loss	34,779	17,877
Unlisted financial assets at fair value through profit or loss	169	2,885
Listed available-for-sale financial assets	132,627	20,188
Unlisted available-for-sale financial assets	(116)	(657)
Listed held-to-maturity financial assets	–	570
Derivative financial instruments	362	5,819
Properties held for sale	–	15,798
Leasehold land and buildings	–	8,826
Other items of fixed assets	(139)	1,206
Net fair value gain/(loss) on:		
Listed financial assets at fair value through profit or loss	(58,163)	(28,425)
Unlisted financial assets at fair value through profit or loss	(1,513)	8,161
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	691	(18,344)
Derivative financial instruments	(8,574)	(26,730)

Notes to the Financial Statements *(continued)*

6. PROFIT BEFORE TAX *(continued)*

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

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Write-back of provision/(Provisions) for impairment losses on:		
Unlisted available-for-sale financial assets	(14,290)	(44,693)
A joint venture <i>(Note (c))</i>	(14,645)	(2,219)
Properties held for sale <i>(Note (c))</i>	1,086	465
Properties under development <i>(Note (c))</i>	–	(156)
Inventories <i>(Note (c))</i>	(13,826)	(20,261)
Bad and doubtful debts <i>(Note (c))</i>	(1,371)	3,395
Write-down of fixed assets	(2,695)	(7,878)
Interest expense attributable to the banking business	(4,048)	(2,640)
Depreciation	(98,807)	(103,863)
Amortisation of intangible assets <i>(Note (d))</i>	(17,267)	(21,868)
Foreign exchange gains — net	8,281	14,275
Auditors' remuneration	(13,355)	(16,580)
Operating lease rentals in respect of land and buildings:		
Minimum lease payments	(249,368)	(286,518)
Contingent rents	(16,613)	(14,399)
Operating lease rentals in respect of other items of fixed assets:		
Minimum lease payments	(1,313)	(3,967)
Contingent rents	(4,280)	(2,120)
Cost of inventories sold:		
Properties	(2,091,234)	–
Others	(1,309,236)	(1,567,299)

Note:

- (a) The amounts include Directors' emoluments disclosed in Note 7 to the financial statements.
- (b) The amounts of forfeited voluntary contributions available to offset future employer contributions against the pension schemes were not material at the year/period end.
- (c) The amounts are included in "Other operating expenses" in the consolidated statement of profit or loss.
- (d) The amounts are included in "Administrative expenses" in the consolidated statement of profit or loss.

Notes to the Financial Statements *(continued)*

7. DIRECTORS' EMOLUMENTS

Directors' emoluments for the year/period, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance, are as follows:

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Directors' fees	3,429	3,392
Basic salaries, housing and other allowances and benefits in kind	9,768	18,121
Discretionary bonuses paid and payable	10,000	11,500
Retirement benefit costs	169	180
	23,366	33,193

The emoluments paid to each of the directors during the year ended 31st March, 2014 are as follows:

Year ended 31st March, 2014	Directors' fees HK\$'000	Basic salaries, housing and other allowances and benefits in kind HK\$'000	Discretionary bonuses paid and payable HK\$'000	Retirement benefit costs HK\$'000	Total HK\$'000
Executive directors:					
Stephen Riady	–	6,738	8,000	61	14,799
John Luen Wai Lee	59	1,996	2,000	30	4,085
Jark Pui Lee	–	1,034	–	78	1,112
	59	9,768	10,000	169	19,996
Non-executive director:					
Leon Nim Leung Chan	841	–	–	–	841
Independent non-executive directors:					
Edwin Neo	873	–	–	–	873
King Fai Tsui	816	–	–	–	816
Victor Ha Kuk Yung	840	–	–	–	840
	2,529	–	–	–	2,529
	3,429	9,768	10,000	169	23,366

7. DIRECTORS' EMOLUMENTS *(continued)*

The emoluments paid to each of the directors during the period ended 31st March, 2013 are as follows:

Period ended 31st March, 2013 (restated)	Directors' fees HK\$'000	Basic salaries, housing and other allowances and benefits in kind HK\$'000	Discretionary bonuses paid and payable HK\$'000	Retirement benefit costs HK\$'000	Total HK\$'000
Executive directors:					
Stephen Riady	–	14,257	9,000	46	23,303
John Luen Wai Lee	59	2,512	2,500	36	5,107
Jark Pui Lee	–	1,352	–	98	1,450
	59	18,121	11,500	180	29,860
Non-executive director:					
Leon Nim Leung Chan	844	–	–	–	844
Independent non-executive directors:					
Edwin Neo	808	–	–	–	808
King Fai Tsui	843	–	–	–	843
Victor Ha Kuk Yung	838	–	–	–	838
	2,489	–	–	–	2,489
	3,392	18,121	11,500	180	33,193

There were no arrangements under which a Director waived or agreed to waive any emoluments during the year/period.

During the year, no share options were granted to the Directors.

Notes to the Financial Statements *(continued)*

8. FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

The five highest paid employees during the year included two Directors (period ended 31st March, 2013 — two Directors), details of whose emoluments are set out in Note 7 to the financial statements. Details of the emoluments of the remaining three (period ended 31st March, 2013 — three) non-director, highest paid employees for the year/period are as follows:

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Basic salaries, housing and other allowances and benefits in kind	11,161	11,668
Discretionary bonuses paid and payable	25,453	35,248
Retirement benefit costs	141	147
	36,755	47,063

The number of non-director, highest paid employees whose emoluments fell within the following bands is as follows:

Emoluments bands (HK\$):	Group	
	Year ended 31st March, 2014 Number of employees	Period ended 31st March, 2013 Number of employees (Restated)
3,000,001 — 3,500,000	1	–
4,000,001 — 4,500,000	–	1
6,000,001 — 6,500,000	–	1
10,000,001 — 10,500,000	1	–
23,000,001 — 23,500,000	1	–
36,000,001 — 36,500,000	–	1
	3	3

9. FINANCE COSTS

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Interest on bank loans wholly repayable within five years	137,098	184,682
Interest on finance leases	70	44
Interest on other loans	790	677
Total interest	137,958	185,403
Less: Interest capitalised	(16,624)	(58,789)
	121,334	126,614

The amount excluded interest expense incurred by a banking subsidiary of the Group.

10. SHARE OF RESULTS OF JOINT VENTURES

For the year ended 31st March, 2014, the Group's share of loss in Lippo ASM Asia Property Limited ("LAAPL") amounted to approximately HK\$527,017,000 (period ended 31st March, 2013 — HK\$281,689,000, restated). The share of loss recognised during the year was mainly attributable to the provision made on the properties under development, the net fair value loss on investment portfolio and the finance costs incurred. LAAPL is a material joint venture of the Group, further details are given in Note 20 to the financial statements.

Notes to the Financial Statements *(continued)*

11. INCOME TAX

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Hong Kong:		
Charge for the year/period	4,417	8,932
Overprovision in prior years	(6,275)	(3,796)
Deferred (<i>Note 32</i>)	319	2,090
	(1,539)	7,226
Overseas:		
Charge for the year/period	921,305	47,018
Overprovision in prior years	(12,580)	(129,856)
Deferred (<i>Note 32</i>)	(14,520)	129,518
	894,205	46,680
Total charge for the year/period	892,666	53,906

Hong Kong profits tax has been provided at the rate of 16.5 per cent. (period ended 31st March, 2013 — 16.5 per cent.) on the estimated assessable profits arising in Hong Kong during the year/period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

11. INCOME TAX *(continued)*

A reconciliation of the tax charge applicable to profit before tax at the statutory rates for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax charge at the effective tax rate is as follows:

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Profit before tax	1,269,335	16,890
Tax at the statutory tax rate of 16.5 per cent. (period ended 31st March, 2013 — 16.5 per cent.)	209,440	2,787
Effect of different tax rates in other jurisdictions	163,062	32,964
Effect of change in tax rates in other jurisdictions	–	367
Adjustments in respect of current tax of previous years	(18,855)	(133,652)
Profits and losses attributable to joint ventures and associates	63,575	35,613
Income not subject to tax	(86,237)	(62,966)
Expenses not deductible for tax	135,844	115,225
Effect of partial tax exemption and tax relief	(4,736)	(7,287)
Deferred tax on royalty income	1,184	3,320
Effect of withholding tax on the distributable profits of the Group's subsidiary in mainland China	62,327	–
Benefits from temporary differences previously unrecognised	(22,061)	(4,962)
Benefits from temporary differences not recognised	40,831	72,497
Land appreciation tax	464,389	–
Tax effect of land appreciation tax	(116,097)	–
Tax charge at the Group's effective rate	892,666	53,906

For the companies operating in the Republic of Singapore, Macau and mainland China, corporate taxes have been calculated on the estimated assessable profits for the year at the rates of 17 per cent., 12 per cent. and 25 per cent. (period ended 31st March, 2013 — 17 per cent., 12 per cent. and 25 per cent.), respectively.

The share of tax charge attributable to associates amounting to HK\$7,492,000 (period ended 31st March, 2013 — HK\$26,276,000, restated) and the share of tax charge attributable to joint ventures of HK\$118,266,000 (period ended 31st March, 2013 — HK\$54,595,000, restated) are included in "Share of results of associates" and "Share of results of joint ventures" on the face of the consolidated statement of profit or loss, respectively.

Notes to the Financial Statements *(continued)*

12. RESULTS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated results attributable to equity holders of the Company for the year include a profit of HK\$302,192,000 (period ended 31st March, 2013 — profit of HK\$9,888,000) which has been dealt with in the financial statements of the Company as set out in Note 35 to the financial statements.

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated based on (i) the consolidated profit/(loss) for the year/period attributable to equity holders of the Company; and (ii) the weighted average number of approximately 493,154,000 ordinary shares (period ended 31st March, 2013 — approximately 496,694,000 ordinary shares) in issue during the year/period.

(b) Diluted earnings/(loss) per share

The Group had no potentially dilutive ordinary shares in issue during the year ended 31st March, 2014.

No adjustment has been made to the basic loss per share amount presented for the period ended 31st March, 2013 as the share options outstanding during the period had no dilutive effect on the basic loss per share amount presented.

14. DIVIDENDS

	Group and Company	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000
Interim dividend, declared, of HK3 cents (period ended 31st March, 2013 — HK3 cents) per ordinary share	14,795	14,955
Final dividend, proposed, of HK10 cents (period ended 31st March, 2013 — HK4 cents) per ordinary share	49,315	19,726
	64,110	34,681

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

15. INTANGIBLE ASSETS

Group

	Goodwill HK\$'000	Trademarks and trademark licence agreement HK\$'000	Other intangible assets HK\$'000	Total HK\$'000
Year ended 31st March, 2014				
Cost:				
At 1st April, 2013				
As previously reported	178,050	–	–	178,050
Prior year adjustments	233,960	332,060	183,457	749,477
As restated	412,010	332,060	183,457	927,527
Disposal of subsidiaries	(23,371)	–	–	(23,371)
Exchange adjustments	(4,055)	(4,495)	(2,483)	(11,033)
At 31st March, 2014	384,584	327,565	180,974	893,123
Accumulated amortisation and impairment losses:				
At 1st April, 2013				
As previously reported	106,565	–	–	106,565
Prior year adjustments	57,459	21,962	94,243	173,664
As restated	164,024	21,962	94,243	280,229
Amortisation provided for the year	–	–	17,267	17,267
Impairment during the year	61,667	–	–	61,667
Disposal of subsidiaries	(23,371)	–	–	(23,371)
Exchange adjustments	(795)	(297)	(1,287)	(2,379)
At 31st March, 2014	201,525	21,665	110,223	333,413
Net book value:				
At 31st March, 2014	183,059	305,900	70,751	559,710
Period ended 31st March, 2013 (restated)				
Cost:				
At 1st January, 2012				
As previously reported	178,050	–	–	178,050
Prior year adjustments	224,128	317,555	175,443	717,126
As restated	402,178	317,555	175,443	895,176
Exchange adjustments	9,832	14,505	8,014	32,351
At 31st March, 2013	412,010	332,060	183,457	927,527
Accumulated amortisation and impairment losses:				
At 1st January, 2012				
As previously reported	106,565	–	–	106,565
Prior year adjustments	46,062	–	69,113	115,175
As restated	152,627	–	69,113	221,740
Amortisation provided for the period	–	–	21,868	21,868
Impairment during the period	9,238	21,847	–	31,085
Exchange adjustments	2,159	115	3,262	5,536
At 31st March, 2013	164,024	21,962	94,243	280,229
Net book value:				
At 31st March, 2013	247,986	310,098	89,214	647,298

15. INTANGIBLE ASSETS *(continued)*

Trademarks relate to the “Food Junction” and “Malone’s” trademarks. Trademark licence agreement relates to the right to use the “Delifrance” trademark granted under a licence agreement. The useful lives of these trademarks and the trademark licence agreement are estimated to be indefinite.

Other intangible assets include unpatented technology, customer relationships, management service agreement and order backlog.

Unpatented technology relates to Delifrance’s Modified Sons Vide Process for the Group’s food retail business, which allows for the preparation of food to reduce wastage significantly, increases the shelf life of the food items, and reduces the time required to reheat food significantly. The remaining amortisation period of unpatented technology is 4 years (31st March, 2013 — 5 years).

Customer relationships relate to tenancy agreements between the stallholders and the food court operators in the food court business. The remaining amortisation period is 4 years (31st March, 2013 — 5 years).

Management service agreement relates to the trademark licence agreement between a subsidiary company of the Group and its licensee for the provision of management services to the licensee.

As at 31st March, 2014, the carrying amounts of goodwill acquired through business combination allocated to the banking business and the food business for impairment testing were HK\$71,485,000 (31st March, 2013 — HK\$71,485,000) and HK\$111,574,000 (31st March, 2013 — HK\$176,501,000, restated), respectively.

Impairment testing of goodwill for the banking business

The recoverable amount of the banking business CGU is determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to the cash flow projection is 6 per cent. (31st March, 2013 — 8 per cent.). The growth rate used to extrapolate the cash flows of the banking business beyond the five-year period is assumed to be nil.

15. INTANGIBLE ASSETS (continued)

Impairment testing of goodwill, trademarks and trademark licence agreement for the food business

The carrying amount of goodwill and intangible assets with indefinite lives allocated to each CGU is as follows:

	Goodwill HK\$'000	Trademarks and trademark licence agreement HK\$'000	Long-term growth rate per cent.	Pre-tax discount rate per annum per cent.
At 31st March, 2014				
Auric Chun Yip Sdn Bhd (Note (a))	17,774	–	3.0	16.0
Auric Pacific Food Processing Sdn Bhd (Note (a))	1,097	–	3.0	17.7
Edmonton Investments Pte Ltd (Note (b))	8,933	200,332	2.8	16.9
Food Junction Holdings Limited (Note (c))	62,273	102,709	2.6	20.2
Malones Holdings Pte Ltd (Note (d))	–	2,859	2.5	12.2
All Around Limited (Note (e))	21,497	–	2.5	12.6
	111,574	305,900		
At 31st March, 2013 (restated)				
Auric Chun Yip Sdn Bhd (Note (a))	18,861	–	3.0	13.2
Auric Pacific Food Processing Sdn Bhd (Note (a))	1,169	–	3.0	17.7
Edmonton Investments Pte Ltd (Note (b))	71,552	203,080	2.5	16.2
Food Junction Holdings Limited (Note (c))	63,127	104,124	2.9	18.0
Malones Holdings Pte Ltd (Note (d))	–	2,894	2.5	12.2
All Around Limited (Note (e))	21,792	–	2.5	12.6
	176,501	310,098		

The intangible assets' recoverable amounts have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a period of 5 years (31st March, 2013 — 5 years). Management has considered and determined the factors applied in these financial budgets which include budgeted gross margins and the target growth rates.

Notes to the Financial Statements *(continued)*

15. INTANGIBLE ASSETS *(continued)*

Impairment testing of goodwill, trademarks and trademark licence agreement for the food business *(continued)*

Key assumptions used in the value in use calculations

Pre-tax discount rates — Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital.

Growth rates — Management determines the growth rates based on past performance and its expectations for market development. The forecasted long-term growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU.

Budgeted gross margins — Gross margins are based on average values achieved in the three years preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements.

Sensitivity to changes in assumptions

Except for Edmontor Investments Pte Ltd, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the business units to materially exceed their recoverable amounts.

For Edmontor Investments Pte Ltd, the carrying amount after recognising the impairment loss approximates its recoverable amount. Consequently, any adverse change in the following key assumptions would result in a further impairment loss:

Assumptions	Change	Additional impairment loss HK\$'000
Discount rate	1 per cent. increase	32,067
Long-term growth rate	1 per cent. decrease	22,200
Revenue growth rate	1 per cent. decrease	35,150

Note:

- For the year/period ended 31st March, 2014 and 2013, no impairment loss was assessed to be required for the goodwill acquired for Auric Chun Yip Sdn Bhd and Auric Pacific Food Processing Sdn Bhd as their recoverable amounts were in excess of their carrying values.
- For the year ended 31st March, 2014, an impairment assessment had been performed for the goodwill and trademark licence agreement acquired for Edmontor Investments Pte Ltd and an impairment loss of HK\$61,667,000 (period ended 31st March, 2013 — Nil) was recognised as the recoverable amount was below the carrying value.
- For the year/period ended 31st March, 2014 and 2013, impairment assessment had been performed for the goodwill acquired for Food Junction Holdings Limited and no impairment was assessed as the recoverable amount was in excess of the carrying value.
- For the year ended 31st March, 2014, impairment assessment had been performed for the goodwill and trademark of Malones Holdings Pte Ltd and no impairment was assessed to be required as the recoverable amount of trademarks was higher than the carrying amount. For the period ended 31st March, 2013, the Group had impaired HK\$9,238,000 and HK\$21,847,000 of goodwill and trademarks respectively on Malones Holdings Pte Ltd.
- For the year/period ended 31st March, 2014 and 2013, impairment assessment review had been performed for the goodwill and trademark acquired by Food Junction Holdings Limited in All Around Ltd and no impairment was assessed as the recoverable amount was in excess of the carrying value.

16. EXPLORATION AND EVALUATION ASSETS

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Cost:		
Balance at beginning of year/period	124,296	127,440
Additions during the year/period	10,056	22,484
Write-down during the year/period	–	(26,117)
Exchange adjustments	(10,613)	489
Balance at end of year/period	123,739	124,296
Accumulated impairment losses:		
Balance at beginning of year/period	26,951	–
Impairment during the year/period	3,879	27,419
Exchange adjustments	(2,386)	(468)
Balance at end of year/period	28,444	26,951
Net book value	95,295	97,345

During the year, impairment loss of HK\$3,879,000 (period ended 31st March, 2013 — HK\$27,419,000, restated) has been charged to the consolidated statement of profit or loss to reduce the balance to its estimated recoverable amount. The estimated recoverable amount was based on estimated net value of the exploration licences to the Group based on prior sales of exploration rights. During the period ended 31st March, 2013, the Group decided to discontinue further exploration activities on some of the sites and returned the exploration licences on expiry and had written off the corresponding exploration expenditures of HK\$26,117,000 (restated).

Notes to the Financial Statements *(continued)*

17. FIXED ASSETS Group

Year ended 31st March, 2014	Leasehold land and buildings HK\$'000	Leasehold improvements, furniture, fixtures, plant and equipment and motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
Cost or valuation:				
At 1st April, 2013				
As previously reported	192,631	158,850	–	351,481
Prior year adjustments	125,998	394,727	2,925	523,650
As restated	318,629	553,577	2,925	875,131
Additions during the year (Note)	80	93,455	–	93,535
Disposal of subsidiaries	–	(4,472)	–	(4,472)
Disposals during the year	–	(14,507)	–	(14,507)
Write-off during the year	–	(23,528)	–	(23,528)
Reclassification	–	216	(216)	–
Exchange adjustments	(1,464)	(7,411)	(409)	(9,284)
At 31st March, 2014	317,245	597,330	2,300	916,875
Accumulated depreciation and impairment losses:				
At 1st April, 2013				
As previously reported	62,813	138,021	–	200,834
Prior year adjustments	86,580	185,020	2,257	273,857
As restated	149,393	323,041	2,257	474,691
Depreciation provided for the year	6,105	92,702	–	98,807
Impairment during the year	–	27,288	–	27,288
Disposal of subsidiaries	–	(3,764)	–	(3,764)
Disposals during the year	–	(13,195)	–	(13,195)
Write-off during the year	–	(20,833)	–	(20,833)
Exchange adjustments	(998)	(4,026)	(31)	(5,055)
At 31st March, 2014	154,500	401,213	2,226	557,939
Net book value:				
At 31st March, 2014	162,745	196,117	74	358,936

17. FIXED ASSETS (continued)

Group

Period ended 31st March, 2013 (restated)	Leasehold land and buildings HK\$'000	Leasehold improvements, furniture, fixtures, plant and equipment and motor vehicles HK\$'000	Construction In progress HK\$'000	Total HK\$'000
Cost or valuation:				
At 1st January, 2012				
As previously reported	292,998	188,593	–	481,591
Prior year adjustments	121,564	304,696	13,626	439,886
As restated	414,562	493,289	13,626	921,477
Additions during the period (Note)	122	154,818	2,151	157,091
Disposals during the period	(101,661)	(72,427)	–	(174,088)
Write-off during the period	(1,051)	(44,887)	(118)	(46,056)
Surplus on revaluation	8,885	–	–	8,885
Reclassification to investment properties	(11,568)	–	–	(11,568)
Reclassification	–	12,660	(12,660)	–
Exchange adjustments	9,340	10,124	(74)	19,390
At 31st March, 2013	318,629	553,577	2,925	875,131
Accumulated depreciation and impairment losses:				
At 1st January, 2012				
As previously reported	59,875	150,704	–	210,579
Prior year adjustments	80,045	151,853	305	232,203
As restated	139,920	302,557	305	442,782
Depreciation provided for the period	8,953	94,910	–	103,863
Impairment during the period	–	161	1,927	2,088
Disposals during the period	(2,084)	(41,862)	–	(43,946)
Write-off during the period	(783)	(37,395)	–	(38,178)
Reclassification to investment properties	(219)	–	–	(219)
Exchange adjustments	3,606	4,670	25	8,301
At 31st March, 2013	149,393	323,041	2,257	474,691
Net book value:				
At 31st March, 2013	169,236	230,536	668	400,440

Note: The amounts include HK\$2,324,000 (period ended 31st March, 2013 — HK\$1,262,000, restated) of obligations under finance leases and HK\$5,000,000 (period ended 31st March, 2013 — HK\$13,149,000, restated) of reinstatement costs for dismantling, removal and restoration of property, plant and equipment which were provided for. Cash payments of HK\$81,767,000 (period ended 31st March, 2013 — HK\$128,580,000, restated) were made to purchase fixed assets during the year.

Notes to the Financial Statements *(continued)*

17. FIXED ASSETS *(continued)*

The carrying amount of the Group's fixed assets held under finance leases included in the total amount of furniture, fixtures, plant and equipment at 31st March, 2014 was amounted to HK\$3,952,000 (31st March, 2013 — HK\$919,000, restated). Leased assets are pledged as security for the related finance lease obligations as set out in Note 29 to the financial statements.

Certain leasehold land and buildings have been mortgaged to secure banking facilities made available to the Group as set out in Note 29 to the financial statements.

The net book value of the leasehold land and buildings comprises:

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Long term leasehold land and buildings situated in Hong Kong	118,020	121,096
Leasehold land and buildings situated outside Hong Kong under:		
Medium term leases	36,020	37,947
Short term leases	8,705	10,193
	44,725	48,140
	162,745	169,236

During the year, certain subsidiaries of the Group carried out a review of the recoverable amount of their fixed assets. An impairment loss of HK\$27,288,000 (period ended 31st March, 2013 — HK\$4,687,000, restated) was recognised in the consolidated statement of profit or loss as the Group intends to cease the operations of several lossmaking retail outlets of certain entities in the food businesses segment and as a result of the ongoing review of its operations. During the period ended 31st March, 2013, a write-back of impairment loss of HK\$2,599,000 was recognised in the consolidated statement of profit or loss.

17. FIXED ASSETS *(continued)*

Company

	Leasehold improvements, furniture, fixtures, plant and equipment and motor vehicles	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000
Cost:		
Balance at beginning of year/period	1,986	1,953
Additions during the year/period	–	38
Disposals during the year/period	–	(5)
Balance at end of year/period	1,986	1,986
Accumulated depreciation:		
Balance at beginning of year/period	685	214
Depreciation provided for the year/period	384	476
Disposals during the year/period	–	(5)
Balance at end of year/period	1,069	685
Net book value	917	1,301

Notes to the Financial Statements *(continued)*

18. INVESTMENT PROPERTIES

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000
Balance at beginning of year/period	4,721,327	4,688,129
Additions during the year/period	70,247	–
Disposal of subsidiaries during the year/period	(2,582,891)	–
Disposals during the year/period	–	(549,534)
Reclassification from deposit paid	11,293	–
Reclassification from fixed assets	–	11,349
Fair value adjustments	46,511	554,728
Exchange adjustments	87,071	16,655
Balance at end of year/period	2,353,558	4,721,327
Investment properties held under the following lease terms:		
Long term leasehold situated in Hong Kong	1,415,600	1,051,400
Freehold situated outside Hong Kong	79,538	39,061
Medium term leasehold situated outside Hong Kong	858,420	3,630,866
	2,353,558	4,721,327

Certain investment properties have been mortgaged to secure banking facilities made available to the Group as set out in Note 29 to the financial statements.

The Group engages external, independent and professionally qualified valuers to determine the fair value of the Group's investment properties for financial reporting purposes. The Group's management has reviewed the valuation results by verifying the major inputs and assumptions made by the independent valuers and assessing the reasonableness of property valuation.

Based on professional valuations as at 31st March, 2014 made by Vigers Appraisal and Consulting Limited, an independent qualified valuer, on an open market, existing use basis and by reference to the disposal value of an investment property which was disposed of to an independent third party subsequent to the end of the reporting period, the investment properties in Hong Kong were revalued at HK\$1,415,600,000 (31st March, 2013 — HK\$1,051,400,000).

Based on professional valuations as at 31st March, 2014 made by Asian Appraisal Company, Inc., CBRE, Inc., Dalia Assia, RHL Appraisal Limited and ProCasa Consulting GmbH Co. KG, independent qualified valuers, the investment properties situated outside Hong Kong were revalued on an open market, existing use basis at HK\$937,958,000 (31st March, 2013 — HK\$3,669,927,000).

18. INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties as at 31st March, 2014:

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Recurring fair value measurement for:				
Completed investment properties in:				
Hong Kong	–	–	1,415,600	1,415,600
Mainland China and overseas	–	–	708,465	708,465
	–	–	2,124,065	2,124,065
Investment properties under development in mainland China	–	–	229,493	229,493
	–	–	2,353,558	2,353,558

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

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Completed investment properties HK\$'000	Investment properties under development HK\$'000
Carrying amount at 1st April, 2013	4,534,347	186,980
Additions	70,247	–
Disposal of subsidiaries	(2,582,891)	–
Reclassification from deposit paid	11,293	–
Net gain from fair value adjustments	7,442	39,069
Exchange adjustments	83,627	3,444
Carrying amount at 31st March, 2014	2,124,065	229,493

Notes to the Financial Statements *(continued)*

18. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy *(continued)*

Below is a summary of the valuation techniques used and key inputs to the valuation of investment properties:

Class of property	Valuation techniques	Significant unobservable inputs	Range
Completed investment properties in: Hong Kong	Market approach	Price per square metre	HK\$122,000 to HK\$425,500
Mainland China and overseas	Market approach	Price per square metre	HK\$11,500 to HK\$88,600
	Income approach	Rental per square metre per month Capitalisation rate	HK\$125 to HK\$240 5.5 per cent. to 6 per cent.
Investment properties under development in mainland China	Market approach	Price per square metre	HK\$3,300 to HK\$5,000

Under the market approach, fair value is estimated by the direct comparison method on the assumption of the sale of the property interest with the benefit of vacant possession and by making reference to comparable sales transactions as available in the market. The key input was the market price per square metre, with a significant increase/decrease in the market price would result in a significant increase/decrease in the fair value of the investment properties.

Under the income approach, fair value is estimated on the basis of capitalisation of the net income and have allowed for outgoings and, in appropriate case, made provisions for reversionary income potential. The key inputs were market rent and the capitalisation rate, with a significant increase/decrease in the market rent in isolation would result in a significant increase/decrease in the fair value of the investment properties and a significant increase/decrease in the capitalisation rate in isolation would result in a significant decrease/increase in the fair value of the investment properties.

19. INTERESTS IN ASSOCIATES

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Share of net assets in unlisted investments	526,449	588,640
Goodwill	–	30,068
Due from associates	169,793	410,755
	696,242	1,029,463
Provisions for impairment losses	(127,641)	(171,423)
	568,601	858,040
Market value of listed investments	–	36,763

The balances with the associates include a loan of HK\$36,509,000 (31st March, 2013 — HK\$36,534,000), which bears interest at 8.5 per cent. per annum and is repayable on demand. At 31st March, 2013, the balances with the associates included another loan of HK\$15,526,000, which bore interest at five-year United States Treasury bill rate per annum.

The remaining balances with the associates are unsecured, interest-free and have no fixed terms of repayment and are considered as quasi-equity investments in the associates.

During the year, the Directors reviewed the carrying amount of the associates with reference to their business performances prepared by the investees' management. Impairment loss of HK\$28,589,000 (period ended 31st March, 2013 — HK\$36,771,000) has been charged to the consolidated statement of profit or loss for the year.

Details of the principal associates are set out on pages 170 and 171.

Greenix Limited and its subsidiaries, which are considered material associates of the Group, engage in property development in Singapore and are accounted for using the equity method.

Notes to the Financial Statements *(continued)*

19. INTERESTS IN ASSOCIATES *(continued)*

The following table illustrates the summarised consolidated financial information of Greenix Limited adjusted for any differences in accounting policies, and reconciled to the carrying amount in the financial statements:

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000
Current assets	1,029,138	1,418,196
Current liabilities	(31,269)	(45,865)
Non-current liabilities	(181,099)	(614,806)
Net assets	816,770	757,525
Reconciliation to the Group's interest in the associate:		
Group's share of net assets of the associate	408,385	378,763
Due from associate	90,549	307,403
Carrying amount of the investment	498,934	686,166
Revenue for the year/period	243,893	950,493
Profit and total comprehensive income for the year/period	69,518	249,196

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Share of the associates' loss and total comprehensive loss for the year/period	(77,605)	(64,070)
Aggregate carrying amount of the Group's interests in the associates	69,667	171,874

20. INTERESTS IN JOINT VENTURES

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Share of net assets in unlisted investments	7,973,132	8,503,627
Due from joint ventures	105,935	15,254
Due to joint ventures	–	(160,091)
	8,079,067	8,358,790
Provisions for impairment losses	(16,864)	(2,219)
	8,062,203	8,356,571

The balances with the joint ventures include a loan of HK\$3,978,000 (31st March, 2013 — HK\$3,981,000), which is secured by certain shares of a joint venture, bears interest at the United States dollar prime rate plus 2 per cent. per annum and has no fixed terms of repayment. At the end of the reporting period, such balance has been impaired and provided for (31st March, 2013 — Nil). The balances include another loan of HK\$63,587,000 (31st March, 2013 — Nil), which is unsecured, bears interest at 9.5 per cent. per annum and is repayable in 2015.

The remaining balances with the joint ventures are unsecured, interest-free and have no fixed terms of repayment. These balances are considered as quasi-equity investments in the joint ventures.

During the year, the Directors reviewed the carrying amount of the joint ventures with reference to their business performances prepared by the investees' management. Impairment loss of HK\$14,645,000 (period ended 31st March, 2013 — HK\$2,219,000) has been charged to the consolidated statement of profit or loss for the year.

Details of the principal joint ventures are set out on page 172.

LAAPL is considered a material joint venture of the Group. LAAPL is a joint venture set up to hold the controlling stake in OUE Limited ("OUE", formerly known as Overseas Union Enterprise Limited), a listed company in Singapore. OUE focuses its business across commercial, hospitality, retail and residential property segments. Certain bank facilities under LAAPL were secured by certain listed shares held under it. It is accounted for using the equity method.

Notes to the Financial Statements *(continued)*

20. INTERESTS IN JOINT VENTURES *(continued)*

The following table illustrates the summarised financial information of LAAPL adjusted for any differences in accounting policies, and reconciled to the carrying amount in the financial statements:

	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000
Non-current assets	35,034,704	30,639,232
Cash and cash equivalents	5,884,277	3,865,539
Other current assets	5,451,687	5,667,475
Current assets	11,335,964	9,533,014
Financial liabilities, excluding trade and other payables	(2,877,982)	(5,048,464)
Other current liabilities	(1,330,981)	(1,149,845)
Current liabilities	(4,208,963)	(6,198,309)
Non-current financial liabilities, excluding trade and other payables and provisions	(20,178,300)	(16,997,553)
Other non-current liabilities	(786,443)	(500,920)
Non-current liabilities	(20,964,743)	(17,498,473)
Net assets	21,196,962	16,475,464
Reconciliation to the Group's interest in the joint venture:		
Net assets	21,196,962	16,475,464
Less: Non-controlling interests	(12,952,179)	(7,560,456)
Net assets attributable to equity holders of the joint venture	8,244,783	8,915,008
Group's share of net assets of the joint venture	7,772,983	8,404,747
Due from/(to) the joint venture	81,634	(160,091)
Adjustment of unrealised gain	(12,954)	–
Carrying amount of the investment	7,841,663	8,244,656
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000
Revenue	2,370,925	2,942,321
Interest income	23,509	20,484
Depreciation and amortisation	(169,921)	(252,315)
Interest expenses	(890,190)	(1,391,631)
Tax	(137,006)	(91,774)
Loss for the year/period attributable to equity holders of the joint venture	(559,120)	(298,850)
Other comprehensive income/(loss) for the year/period attributable to equity holders of the joint venture	(30,939)	433,461
Total comprehensive income/(loss) for the year/period attributable to equity holders of the joint venture	(590,059)	134,611

Notes to the Financial Statements *(continued)*

20. INTERESTS IN JOINT VENTURES *(continued)*

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Share of the joint ventures' profit for the year/period	184,559	5,321
Share of the joint ventures' other comprehensive income for the year/period	489	–
Share of the joint ventures' total comprehensive income for the year/period	185,048	5,321
Aggregate carrying amount of the Group's interests in the joint ventures	220,540	111,915

As at 31st March, 2014, the Group's share of the joint ventures' own capital commitment amounted to HK\$784,146,000 (31st March, 2013 — HK\$543,098,000, restated).

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000
Financial assets stated at fair value:				
Equity securities listed overseas	51	155,950	–	–
Debt securities listed in Hong Kong	52,807	51,609	–	–
Debt securities listed overseas	26,171	18,018	–	–
Unlisted debt securities	5,043	–	–	–
Unlisted investment funds	10,768	20,834	–	–
	94,840	246,411	–	–
Financial assets stated at cost:				
Unlisted equity securities	196,420	201,556	8,920	8,920
Unlisted debt securities	11,663	11,663	1,200	1,200
Unlisted investment funds	104,944	102,569	–	–
	313,027	315,788	10,120	10,120
Provisions for impairment losses	(181,587)	(165,916)	(8,920)	(8,920)
	131,440	149,872	1,200	1,200
	226,280	396,283	1,200	1,200
Less: Amount classified under current portion	(3,753)	–	–	–
Non-current portion	222,527	396,283	1,200	1,200

Notes to the Financial Statements *(continued)*

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS *(continued)*

An analysis of the issuers of available-for-sale financial assets is as follows:

	Group		Company	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000	31st March 2014 HK\$'000	31st March, 2013 HK\$'000
Equity securities:				
Corporate entities	196,471	357,506	8,920	8,920
Debt securities:				
Club debentures	11,663	11,663	1,200	1,200
Corporate entities	69,713	52,583	–	–
Banks and other financial institutions	14,308	17,044	–	–
	95,684	81,290	1,200	1,200

During the year, the gross loss in respect of the Group's available-for-sale financial assets recognised in consolidated other comprehensive income amounted to HK\$6,075,000 (period ended 31st March, 2013 — gain of HK\$87,256,000), of which gain of HK\$118,591,000 (period ended 31st March, 2013 — gain of HK\$14,893,000) was reclassified from consolidated other comprehensive income to the consolidated statement of profit or loss for the year upon disposal.

The available-for-sale financial assets consist of investments in equity securities and investment funds which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

The debt securities bear interest at effective rates ranging from nil to 14 per cent. (31st March, 2013 — nil to 10 per cent.) per annum.

Apart from the above, certain unlisted available-for-sale financial assets issued by private entities are measured at cost less impairment at the end of the reporting period. The Directors consider that information to be applied in the valuation techniques cannot be reliably obtained on a continuous basis. The fair values of these unlisted available-for-sale financial assets cannot be reliably measured.

During the year ended 31st March, 2014, the Directors reviewed the carrying amount of available-for-sale financial assets with reference to their business performances prepared by the investees' management. Impairment loss of HK\$14,290,000 (period ended 31st March, 2013 — HK\$44,693,000, restated) has been charged to the consolidated statement of profit or loss for the year.

During the year ended 31st December, 2008, the Group had reclassified certain of its debt instruments from the fair value through profit or loss category into the available-for-sale category due to the change of its intention from holding these debt instruments for the purpose of trading in the near term to holding them for the foreseeable future. As at 31st March, 2014, these debt instruments were stated at fair value of HK\$981,000 (31st March, 2013 — HK\$974,000). Had the reclassification not taken place, the Group would have recognised a fair value gain of HK\$7,000 (period ended 31st March, 2013 — fair value gain of HK\$108,000 and a decrease of gain on disposal of HK\$325,000) in the consolidated statement of profit or loss for the year.

22. LOANS AND ADVANCES

The loans and advances to customers of the Group bear interest at effective rates ranging from 3 per cent. to 9 per cent. (31st March, 2013 — 3 per cent. to 9 per cent.) per annum. Certain balances arising from securities broking and banking operations are secured by clients' properties, deposits and securities being held as collaterals with a carrying amount of HK\$871,194,000 (31st March, 2013 — HK\$1,090,619,000).

At the end of the reporting period, the overdue or impaired balances are related to securities broking, banking and money lending operations. Movements in the allowance for bad and doubtful debts during the year/period are as follows:

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000
Balance at beginning of year/period	6,770	8,450
Allowance for bad and doubtful debts	176	–
Impairment allowance released	(101)	(695)
Amount written off as uncollectible	–	(985)
Balance at end of year/period	6,845	6,770

Except for the above, the remaining balances are neither overdue nor impaired and are related to a range of customers for whom there is no recent history of default.

Notes to the Financial Statements *(continued)*

23. DEBTORS, PREPAYMENTS AND DEPOSITS

Included in the balances are trade debtors with an aged analysis, based on the invoice date and net of provisions as follows:

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Outstanding balances with ages:		
Repayable on demand	45,580	30,993
Within 30 days	247,354	246,164
Between 31 and 60 days	78,187	57,747
Between 61 and 90 days	39,472	36,801
Between 91 and 180 days	13,661	13,167
Over 180 days	117	1,094
	424,371	385,966

Trading terms with customers are either on a cash basis or on 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. Except for receivables from certain securities brokers which are interest-bearing, the balances of trade debtors are non-interest-bearing.

Included in the trade debtors is an amount of HK\$3,344,000 (31st March, 2013 — HK\$3,831,000, restated) due from a joint venture of the Group. The amount due from the joint venture arose from sales made to that company, and is unsecured, non-interest-bearing and repayable within normal trade credit terms and is to be settled in cash.

23. DEBTORS, PREPAYMENTS AND DEPOSITS *(continued)*

At the end of the reporting period, the individually impaired trade and other receivables related to securities broking operation, a property development project and the food businesses segment with an aggregate carrying amount of HK\$47,409,000 (31st March, 2013 — HK\$51,954,000, restated). The Group does not hold any collateral or other credit enhancements over these balances. Movements in the allowance for bad and doubtful debts for these individually impaired receivables during the year/period are as follows:

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Balance at beginning of year/period	48,179	82,402
Allowance for bad and doubtful debts	5,254	3,138
Impairment allowance released	(3,958)	(5,790)
Amount written off as uncollectible	(2,626)	(32,063)
Exchange adjustments	(1,103)	492
Balance at end of year/period	45,746	48,179

As at 31st March, 2014, trade and other receivables of HK\$170,609,000 (31st March, 2013 — HK\$156,729,000, restated) were past due but not impaired. These relate to a number of independent customers that have a good track record with the Group. The aged analysis of these balances is as follows:

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Outstanding balances with ages:		
Within 30 days	103,307	93,032
Between 31 and 60 days	29,086	31,573
Between 61 and 90 days	18,020	18,499
Between 91 and 180 days	17,786	9,062
Over 180 days	2,410	4,563
	170,609	156,729

Notes to the Financial Statements *(continued)*

24. OTHER FINANCIAL ASSETS/LIABILITIES

	Group			
	31st March, 2014		31st March, 2013	
	Assets HK\$'000	Liabilities HK\$'000	Assets HK\$'000	Liabilities HK\$'000 (Restated)
Non-current portion:				
Derivative financial instruments:				
Forward currency contracts	–	–	17,639	31,430
Interest rate swap	–	–	–	1,010
Financial liabilities at fair value through profit or loss designated as such upon initial recognition (<i>Note</i>)	–	–	–	98,919
	–	–	17,639	131,359
Current portion:				
Derivative financial instruments:				
Call option	–	–	7,275	–
Futures	–	259	–	–
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	–	15,739	–	35,713
	–	15,998	7,275	35,713
	–	15,998	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 voting rights but 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.

The notional amount of the outstanding forward currency contract under other financial assets as at 31st March, 2013 was HK\$776,000,000. The notional amount of the outstanding forward currency contract under other financial liabilities as at 31st March, 2013 was HK\$776,000,000. The notional amount of the outstanding interest rate swap contract under other financial liabilities as at 31st March, 2013 was HK\$776,000,000.

25. PROPERTIES UNDER DEVELOPMENT

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000
Land and buildings situated outside Hong Kong, at cost:		
Balance at beginning of year/period	2,924,624	1,667,390
Additions during the year/period	681,827	948,994
Reclassified from deposits paid for properties under development	–	314,274
Reclassified to properties held for sale	(2,254,236)	–
Exchange adjustments	36,429	(6,034)
Balance at end of year/period	1,388,644	2,924,624
Provisions for impairment losses:		
Balance at beginning of year/period	(199,948)	(201,735)
Impairment during the year/period	–	(156)
Exchange adjustments	(2,355)	1,943
Balance at end of year/period	(202,303)	(199,948)
	1,186,341	2,724,676
Land and buildings situated outside Hong Kong held under the following lease terms:		
Long term leases	198,716	108,527
Medium term leases	956,321	2,582,177
Freehold	31,304	33,972
	1,186,341	2,724,676

Certain properties under development have been mortgaged to secure banking facilities made available to the Group as set out in Note 29 to the financial statements.

Notes to the Financial Statements *(continued)*

26. INVENTORIES

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Raw materials and stores	20,591	16,336
Finished goods and goods for sale	260,293	196,644
	280,884	212,980

27. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Held for trading:		
Equity securities:		
Listed in Hong Kong	130,264	161,895
Listed overseas	189,524	167,736
	319,788	329,631
Unlisted investment funds	28,100	41,083
Financial assets at fair value through profit or loss designated as such upon initial recognition:		
Mezzanine loan (<i>Note</i>)	–	217,905
	347,888	588,619

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 piece of land owned by a third party. In May 2013, the loan was divested following the disposal of the RPS and the share capital of the Fund and the repayment of all outstanding interests.

27. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

An analysis of the issuers of financial assets at fair value through profit or loss is as follows:

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000
Equity securities:		
Corporate entities	319,788	328,899
Banks and other financial institutions	–	732
	319,788	329,631

28. RESTRICTED CASH

The balance includes:

- (a) certain amount of the sale proceeds received by a subsidiary of the Group engaging in property development that was placed with designated bank accounts under supervision pursuant to relevant rules and regulations; and
- (b) bank deposits pledged to secure banking facilities made available to the Group and as securities for bankers' guarantees issued as set out in Notes 29 and 39 to the financial statements, respectively.

Notes to the Financial Statements *(continued)*

29. BANK AND OTHER BORROWINGS

	Group		Company	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000
Current portion:				
Bank loans:				
Secured <i>(Note (a))</i>	1,165,387	620,083	205,000	250,000
Unsecured	41,195	32,885	–	–
Obligations under finance leases <i>(Note (b))</i>	715	400	–	–
	1,207,297	653,368	205,000	250,000
Non-current portion:				
Secured bank loans <i>(Note (a))</i>	130,000	2,328,354	130,000	185,000
Obligations under finance leases <i>(Note (b))</i>	3,237	519	–	–
	133,237	2,328,873	130,000	185,000
	1,340,534	2,982,241	335,000	435,000
Bank and other borrowings by currency:				
Hong Kong dollar	1,289,082	2,318,103	335,000	435,000
Renminbi	6,305	630,334	–	–
Malaysian Ringgit	45,147	33,804	–	–
	1,340,534	2,982,241	335,000	435,000
Bank loans repayable:				
Within one year or on demand	1,206,582	652,968	205,000	250,000
In the second year	130,000	1,025,668	130,000	185,000
In the third to fifth years, inclusive	–	1,302,686	–	–
	1,336,582	2,981,322	335,000	435,000
Other borrowings repayable:				
Within one year	715	400	–	–
In the second year	598	322	–	–
In the third to fifth years, inclusive	2,639	197	–	–
	3,952	919	–	–

29. BANK AND OTHER BORROWINGS *(continued)*

The Group's and the Company's bank loans bear interest at floating rates ranging from 2.4 per cent. to 7.3 per cent. (31st March, 2013 — 2.4 per cent. to 8.0 per cent.) per annum.

Note:

- (a) At the end of the reporting period, the bank loans were secured by:
- (i) shares in certain listed subsidiaries of the Group with market value of HK\$4,358,260,000 (31st March, 2013 — HK\$2,957,771,000);
 - (ii) first legal mortgages over certain investment properties, leasehold land and buildings and properties under development of the Group with carrying amounts of HK\$1,520,259,000 (31st March, 2013 — HK\$4,015,843,000), HK\$118,018,000 (31st March, 2013 — HK\$121,096,000) and HK\$602,118,000 (31st March, 2013 — HK\$1,476,611,000), respectively; and
 - (iii) certain bank deposits of the Group with a carrying amount of HK\$98,259,000 (31st March, 2013 — HK\$216,443,000, restated).
- (b) The Group has obligations under finance leases for certain plant and equipment. These leases are classified as finance leases 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 5.0 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\$3,952,000 (31st March, 2013 — HK\$919,000).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	31st March, 2014		31st March, 2013	
	Present value of minimum lease payments HK\$'000	Minimum lease payments HK\$'000	Present value of minimum lease payments HK\$'000 (Restated)	Minimum lease payments HK\$'000 (Restated)
Within one year	715	789	400	450
In the second year	598	678	322	344
In the third to fifth years, inclusive	2,639	2,842	197	200
	3,952	4,309	919	994
Future finance charges		(357)		(75)
		3,952		919

Notes to the Financial Statements *(continued)*

30. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

Creditors, accruals and deposits received mainly comprised of pre-sale proceeds received from the property development projects of the Group of HK\$408,735,000 (31st March, 2013 — HK\$2,820,004,000), and trade payables relating to cash balances held on trust for the customers in respect of the Group's securities broking operation of HK\$357,899,000 (31st March, 2013 — HK\$384,309,000). As at 31st March, 2014, total client trust bank balances amounted to HK\$311,353,000 (31st March, 2013 — HK\$356,002,000).

An aged analysis of trade creditors are as follows:

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Outstanding balances with ages:		
Repayable on demand	331,841	373,411
Within 30 days	207,908	234,940
Between 31 and 60 days	21,309	22,167
Between 61 and 90 days	16,769	8,531
Between 91 and 180 days	19,669	21,049
Over 180 days	2,811	1,987
	600,307	662,085

Trade creditors are generally settled on their normal trade terms. Except for certain client payables relating to cash balances held on trust for the customers in respect of the Group's securities broking operation which are interest-bearing, the balances of trade creditors are non-interest-bearing.

31. CURRENT, FIXED, SAVINGS AND OTHER DEPOSITS OF CUSTOMERS

The current, fixed, savings and other deposits of customers attributable to banking operation bear interest at effective rates ranging from 0.01 per cent. to 3.0 per cent. (31st March, 2013 — 0.01 per cent. to 4.0 per cent.) per annum.

32. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year/period are as follows:

Group

	Depreciation allowance in excess of related depreciation HK\$'000	Revaluation of properties HK\$'000	Fair value gains on available-for-sale financial assets HK\$'000	Tax losses HK\$'000	Provision and accruals HK\$'000	Others HK\$'000	Total HK\$'000
Year ended 31st March, 2014							
At 1st April, 2013							
As previously reported	14,921	691,701	4,337	(3,900)	–	–	707,059
Prior year adjustments	11,436	–	–	–	(7,380)	18,805	22,861
As restated	26,357	691,701	4,337	(3,900)	(7,380)	18,805	729,920
Deferred tax charged/(credited) to the statement of profit or loss during the year (Note 11)	884	(71,428)	–	(360)	(580)	57,283	(14,201)
Deferred tax debited to equity during the year	–	–	(2,428)	–	–	–	(2,428)
Disposal of subsidiaries (Note 37(b))	–	(518,100)	–	–	–	–	(518,100)
Exchange adjustments	(618)	20,212	–	–	155	(221)	19,528
At 31st March, 2014	26,623	122,385	1,909	(4,260)	(7,805)	75,867	214,719
Period ended 31st March, 2013 (restated)							
At 1st January, 2012							
As previously reported	9,581	554,945	2,702	(3,383)	–	–	563,845
Prior year adjustments	13,585	–	–	–	(5,493)	18,348	26,440
As restated	23,166	554,945	2,702	(3,383)	(5,493)	18,348	590,285
Deferred tax charged/(credited) to the statement of profit or loss during the period (Note 11)	2,244	131,976	–	(517)	(1,716)	(379)	131,608
Deferred tax debited to equity during the period	–	1,066	1,635	–	–	–	2,701
Exchange adjustments	947	3,714	–	–	(171)	836	5,326
At 31st March, 2013	26,357	691,701	4,337	(3,900)	(7,380)	18,805	729,920

Notes to the Financial Statements *(continued)*

32. DEFERRED TAX *(continued)*

The following is the analysis of the deferred tax balances of the Group for financial reporting purpose:

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Deferred tax assets	(6,708)	(6,106)
Deferred tax liabilities	221,427	736,026
Net deferred tax liabilities	214,719	729,920

The Group has tax losses of HK\$1,301,122,000 (31st March, 2013 — HK\$1,263,491,000, restated) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose, except for tax losses of HK\$155,236,000 (31st March, 2013 — HK\$208,327,000, restated) which will expire in one to twenty years. Deferred tax assets have not been recognised in respect of these tax losses at the end of the reporting period due to the unpredictability of future profit streams.

The Group also has unrecognised deferred tax assets in respect of unabsorbed capital allowances of HK\$22,519,000 (31st March, 2013 — HK\$16,236,000, restated) available for offset against future taxable income, subject to compliance with the relevant rules and procedures and agreement of the respective tax authorities. The Group did not recognise those deferred tax assets as it is not probable that taxable profits will be available against which the deferred tax assets can be utilised.

Pursuant to the People's Republic of China Corporate Income Tax Law, a 10 per cent. withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in mainland China. The requirement became effective from 1st January, 2008 and applies to earnings after 31st December, 2007. A lower withholding tax rate may be applied if there is a tax treaty between mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in mainland China in respect of earnings generated from 1st January, 2008.

At 31st March, 2014, except for withholding tax provided for under deferred tax liabilities, there were no significant unrecognised deferred tax liabilities (31st March, 2013 — Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or joint ventures as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payments of dividends of the Company to its shareholders.

33. SHARE CAPITAL

	Group		Company	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000
Issued and fully paid:				
493,154,032 (31st March, 2013 — 493,154,032) ordinary shares	986,598	49,316	984,440	49,316

A summary of the transactions during the year/period in the Group's and Company's issued share capital is as follows:

	Group		Company	
	No. of shares in issue	Issued capital HK\$'000	No. of shares in issue	Issued capital HK\$'000
At 1st January, 2012	500,436,032	50,044	500,436,032	50,044
Shares repurchased	(7,282,000)	(728)	(7,282,000)	(728)
At 31st March, 2013 and 1st April, 2013	493,154,032	49,316	493,154,032	49,316
Transfer to issued capital (Note)	—	937,282	—	935,124
At 31st March, 2014	493,154,032	986,598	493,154,032	984,440

Note: Pursuant to the transitional provisions for the abolition of the nominal value of share capital included in the new Hong Kong Companies Ordinance which became effective on 3rd March, 2014, the balance of the share premium account and the capital redemption reserve as at 3rd March, 2014 has been transferred to issued capital.

During the period ended 31st March, 2013, the Company had repurchased a total of 7,282,000 ordinary shares in the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The premium of HK\$21,835,000 arising from such repurchases has been charged to the retained profits of the Company and an amount of HK\$728,000 was transferred from retained profits to the capital redemption reserve as set out in the consolidated statement of changes in equity on pages 42 and 43. The repurchase of the Company's shares during the period was effected by the Directors with a view to benefiting shareholders as a whole by enhancing the net asset value per share of the Company.

34. SHARE OPTION SCHEMES

Details of the share option schemes of the Company and its subsidiaries 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 on 7th June, 2007 (the "Adoption Date"), the board of the Directors (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 43,373,501 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; (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 year, there were no outstanding options granted under the Share Option Scheme to subscribe for shares in the Company.

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

34. SHARE OPTION SCHEMES *(continued)***(b) Share Option Scheme of Lippo China Resources Limited adopted on 7th June, 2007**

The principal terms of the rules of the share option scheme of Lippo China Resources Limited ("LCR"), a listed subsidiary of the Company, adopted and approved by the shareholders of LCR and the Company on 7th June, 2007 (the "LCR Share Option Scheme") are substantially the same as the terms of the Share Option Scheme as mentioned above. As at the beginning and end of the year, there were no outstanding options granted under the LCR Share Option Scheme to subscribe for shares in LCR.

No option of LCR was granted, exercised, cancelled or lapsed during the year.

(c) Share Option Scheme of Hongkong Chinese Limited adopted on 7th June, 2007

The principal terms of the rules of the share option scheme of Hongkong Chinese Limited ("HKC"), a listed subsidiary of the Company, adopted and approved by the shareholders of HKC, LCR and the Company on 7th June, 2007 (the "HKC Share Option Scheme") are substantially the same as the terms of the Share Option Scheme as mentioned above. As at the beginning and end of the year, there were no outstanding options granted under the HKC Share Option Scheme to subscribe for shares of HK\$1.00 each in HKC.

No option of HKC was granted, exercised, cancelled or lapsed during the year.

(d) Terminated Incentive Stock Option Plan of Asia Now

An incentive stock option plan of Asia Now was adopted on 30th April, 2007 and amended and restated on 17th February, 2011 and approved by the shareholders of Asia Now and such option plan was subsequently terminated during the year (the "Terminated ANR Stock Option Plan"). Pursuant to the Terminated ANR Stock Option Plan, the board of directors of Asia Now (the "ANR Board") might 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 Terminated ANR Stock Option Plan was 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 the Terminated ANR Stock Option Plan vested, and became 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 Terminated ANR Stock Option Plan, the ANR Board had the authority to determine the terms, limitations, restrictions and conditions respecting the grant of options. No grantee of option was 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 issued share capital, were reserved for issuance upon exercise of options granted under the Terminated ANR Stock Option Plan. The maximum number of ANR Shares which was reserved for issuance to any one person in any 12-month period under the Terminated ANR Stock Option Plan was 5 per cent. of the ANR Shares issued and outstanding at the time of grant (on a non-diluted basis). The option exercise price was determined by the ANR Board in its sole discretion and was not less than the closing price of the ANR Shares on TSX Venture Exchange of Canada on the date immediately preceding the day on which the ANR Board granted and provided notice to such exchange of the grant of the option(s).

Notes to the Financial Statements *(continued)*

34. SHARE OPTION SCHEMES *(continued)*

(d) Terminated Incentive Stock Option Plan of Asia Now *(continued)*

As at 1st April, 2013, there were 2,650,000 outstanding options granted under the Terminated 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.

During the year, movements in the ANR Options granted under the Terminated 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/Cancelled during the year	Balance as at 31st March, 2014
Directors and officers of Asia Now	10th September, 2009	10th September, 2014	0.25	800,000*	(800,000)	-
	17th February, 2011	17th February, 2016	0.30	450,000#	(450,000)	-
	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	(2,250,000)	400,000
Weighted average exercise price per ANR Share (C\$)				0.27	0.27	0.29

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

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

Note: Employees refer to the employees of Asia Now and its subsidiaries as at 31st March, 2014 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 year, 1,950,000 ANR Options to subscribe for 1,950,000 ANR Shares lapsed and 300,000 ANR Options to subscribe for 300,000 ANR Shares were cancelled.

Save as disclosed herein, no option of Asia Now was granted, exercised, cancelled or lapsed during the year. Following the termination of the option plan, no new option will be granted under the Terminated ANR Stock Option Plan.

35. RESERVES**Group**

The amounts of the Group's reserves and movements therein for the current year and the prior period are presented in the consolidated statement of changes in equity on pages 42 and 43.

Company

	Share premium account	Share option reserve	Special capital reserve <i>(Note (a))</i>	Capital redemption reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31st March, 2014						
At 1st April, 2013	912,362	–	1,709,202	22,762	69,167	2,713,493
Profit for the year and total comprehensive income for the year (Note 12)	–	–	–	–	302,192	302,192
Transfer to issued capital (Note 33)	(912,362)	–	–	(22,762)	–	(935,124)
2012/2013 final dividend declared and paid to shareholders of the Company	–	–	–	–	(19,726)	(19,726)
2013/2014 interim dividend declared and paid to shareholders of the Company	–	–	–	–	(14,795)	(14,795)
At 31st March, 2014	–	–	1,709,202	–	336,838	2,046,040
Period ended 31st March, 2013						
At 1st January, 2012	912,362	12,766	1,709,202	22,034	118,846	2,775,210
Profit for the period and total comprehensive income for the period (Note 12)	–	–	–	–	9,888	9,888
Repurchases of shares	–	–	–	728	(22,563)	(21,835)
Transfer of share option reserve upon expiry of share options	–	(12,766)	–	–	12,766	–
2011 final and special final dividend declared and paid to shareholders of the Company	–	–	–	–	(34,972)	(34,972)
2012 interim dividend declared and paid to shareholders of the Company	–	–	–	–	(14,798)	(14,798)
At 31st March, 2013	912,362	–	1,709,202	22,762	69,167	2,713,493

As at 31st March, 2014, the Company's reserves available for distribution, calculated in accordance with Section 79B of the Hong Kong Companies Ordinance, amounted to HK\$336,838,000 (31st March, 2013 — HK\$69,167,000). As at 31st March, 2014, other distributable reserve amounted to HK\$1,709,202,000 (31st March, 2013 — HK\$1,709,202,000).

Included in the retained profits of the Group and the Company as at 31st March, 2014 was an amount of final dividend for the year then ended of HK\$49,315,000 (period ended 31st March, 2013 — HK\$19,726,000) proposed after the end of the reporting period.

Notes to the Financial Statements *(continued)*

35. RESERVES *(continued)*

Note:

- (a) Special capital reserve
Pursuant to a special resolution passed at an extraordinary general meeting of the Company on 23rd December, 1998 and the subsequent confirmation by the court on 26th January, 1999, the then entire amount standing to the credit of the share capital account of the Company of approximately HK\$1,709,202,000 was cancelled on 27th January, 1999 (the "Cancellation"). The credit arising from the Cancellation was transferred to a special capital reserve account.
- (b) Legal reserve
The legal reserve represents the part of reserve generated by a banking subsidiary of the Company which may only be distributable in accordance with certain limited circumstances prescribed by the statute of the country in which the subsidiary operates.
- (c) Regulatory reserve
The regulatory reserve represents the part of reserve generated by a banking subsidiary of the Company arising from the difference between the impairment allowance made under HKAS 39 and for regulatory purpose.
- (d) Hedging reserve
The hedging reserve relates to the Group's share of the hedging reserve under joint ventures.

36. INTERESTS IN SUBSIDIARIES

	Company	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000
Unlisted shares, at cost	1	1
Due from subsidiaries	4,396,767	4,095,513
Due to subsidiaries	(1,122,834)	(831,819)
	3,273,934	3,263,695
Provisions for impairment losses	(205,074)	(205,074)
	3,068,860	3,058,621

The balances with subsidiaries are unsecured, non-interest-bearing and have no fixed terms of repayment. These balances are considered as quasi-equity investments in subsidiaries.

Details of the principal subsidiaries are set out on pages 155 to 169.

Notes to the Financial Statements *(continued)*

36. INTERESTS IN SUBSIDIARIES *(continued)*

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	Group	
	31st March, 2014	31st March, 2013
Percentage of ownership interest held by non-controlling interests:		
HKC	43.9 per cent.	43.9 per cent.
LCR	28.8 per cent.	28.8 per cent.

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000
Profit/(loss) for the year/period allocated to non-controlling interests:		
HKC	326,982	(100,887)
LCR	(54,928)	75,393
Dividends/distributions paid to non-controlling interests:		
HKC	35,070	26,358
LCR	117,578	60,851
Accumulated balances of non-controlling interests at the end of the reporting periods:		
HKC	4,807,830	4,573,207
LCR	2,043,262	2,433,282

The following tables illustrate the summarised consolidated financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	HKC		LCR	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (restated)	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (restated)
Revenue	3,969,891	133,992	2,771,409	3,403,735
Total expenses	(3,466,920)	(352,262)	(2,737,722)	(3,119,486)
Profit/(Loss) for the year/period	502,971	(218,270)	33,687	284,249
Total comprehensive income/(loss) for the year/period	460,987	218,592	(329,226)	403,019
Current assets	4,186,568	5,325,109	3,071,849	3,238,569
Non-current assets	8,989,645	9,422,627	3,417,093	6,105,881
Current liabilities	(2,429,941)	(4,141,586)	(1,443,813)	(857,548)
Non-current liabilities	(106,724)	(267,756)	(146,789)	(2,768,429)
Net cash flows from/(used in) operating activities	1,795,305	530,673	(238,792)	(139,452)
Net cash flows from/(used in) investing activities	(781,084)	248,254	889,897	538,457
Net cash flows from/(used in) financing activities	(209,149)	(614,893)	(783,968)	242,756
Net increase/(decrease) in cash and cash equivalents	805,072	164,034	(132,863)	641,761

Notes to the Financial Statements *(continued)*

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before tax to cash generated from operations

	Note	Group	
		Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Profit before tax		1,269,335	16,890
Adjustments for:			
Share of results of associates		42,846	(60,528)
Share of results of joint ventures		342,458	276,368
Loss/(Gain) on disposal of:			
Leasehold land and buildings		–	(10,467)
Other items of fixed assets		139	435
Investment properties		–	(68,282)
Held-to-maturity financial assets		–	(570)
Subsidiaries	37(b)	(200,170)	(69,491)
A joint venture		–	(310)
Available-for-sale financial assets		(132,511)	(19,531)
Gain on deemed disposal of an associate		–	(24,065)
Loss on derecognition of associates		–	61,528
Provisions/(Write-back of provision) for impairment losses:			
Intangible assets		61,667	31,085
Exploration and evaluation assets		3,879	27,419
Fixed assets		27,288	2,088
Associates		28,589	36,771
A joint venture	6	14,645	2,219
Available-for-sale financial assets	6	14,290	44,693
Inventories	6	13,826	20,261
Properties held for sale	6	(1,086)	(465)
Properties under development		–	156
Write-down of exploration and evaluation assets		–	26,117
Write-down of fixed assets	6	2,695	7,878
Net fair value loss on financial instruments			
at fair value through profit or loss		67,559	65,338
Allowance/(Write-back of allowance) for bad and doubtful debts	6	1,371	(3,395)
Net fair value gains on investment properties		(46,511)	(554,728)
Finance costs		121,334	126,614
Interest income		(83,460)	(78,841)
Dividend income		(13,045)	(6,977)
Depreciation	6	98,807	103,863
Amortisation of intangible assets	6	17,267	21,868
Equity-settled share option arrangement		–	258
		1,651,212	(25,801)

Notes to the Financial Statements *(continued)*

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(a) Reconciliation of profit before tax to cash generated from operations *(continued)*

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Decrease in properties held for sale	2,091,234	61,915
Increase in properties under development	(681,827)	(948,994)
Increase in deposits paid for properties under development	–	(121,650)
Increase in inventories	(84,613)	(4,243)
Increase in loans and advances	(35,192)	(85,567)
Decrease/(Increase) in debtors, prepayments and deposits	91,763	(251,997)
Increase in financial instruments at fair value through profit or loss	(36,850)	(137,112)
Decrease in client trust bank balances	44,411	194,345
Decrease/(Increase) in restricted cash	815,912	(580,034)
Increase/(Decrease) in creditors, accruals and deposits received	(2,408,655)	2,056,343
Increase in current, fixed, savings and other deposits of customers	65,394	146,561
Increase/(Decrease) in other financial liabilities	(33,965)	33,557
Cash generated from operations	1,478,824	337,323

Notes to the Financial Statements *(continued)*

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Disposal of subsidiaries

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000
Net assets disposed of:		
Fixed assets	708	–
Investment properties	2,582,891	–
Available-for-sale financial assets	–	202,820
Debtors, prepayments and deposits	3,316	–
Restricted cash	16,365	–
Cash and bank balances	85,490	3
Bank and other borrowings	(1,163,666)	–
Creditors, accruals and deposits received	(107,887)	(15)
Tax payables	(18,162)	–
Deferred tax liabilities	(518,100)	–
	880,955	202,808
Release of cumulative fair value changes on available-for-sale financial assets attributable to:		
Equity holders of the Company	–	(55,597)
Non-controlling interests	–	(22,423)
	–	(78,020)
Release of cumulative exchange differences on translation of foreign operations attributable to:		
Equity holders of the Company	(185,316)	–
Non-controlling interests	(75,076)	–
	(260,392)	–
Adjustment of unrealised gain on disposal	620,563	124,788
Gain on disposal	12,954	–
	200,170	69,491
	833,687	194,279
Satisfied by:		
Cash consideration received	833,687	173,979
Deposits received in prior period	–	20,300
	833,687	194,279

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)***(b) Disposal of subsidiaries** *(continued)*

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000
Cash consideration received	833,687	173,979
Cash and bank balances disposed of	(85,490)	(3)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	748,197	173,976

38. CHANGES IN NON-CONTROLLING INTERESTS WITHOUT CHANGE IN CONTROL

Major changes in non-controlling interests are as follows:

Year ended 31st March, 2014

- (a) 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 then 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 Food Junction was delisted from the Singapore Exchange Securities Trading Limited on 9th December, 2013. As at 31st March, 2014, the APG Group held approximately 97.6 per cent. of the issued share capital in Food Junction. The total consideration was approximately HK\$70,280,000. The Group recognised a decrease in non-controlling interests of HK\$77,351,000 and an increase in retained profits of HK\$7,071,000.

Period ended 31st March, 2013

- (a) During the period, HKC had repurchased a total of 8,816,000 HKC Shares for a total consideration (including expenses) of approximately HK\$10,794,000. In December 2012, HKC had issued 3,881,000 HKC Shares upon the exercise in cash by the option holders of their rights to subscribe for HKC Shares at a total consideration of approximately HK\$4,650,000. The Group's effective ownership in HKC increased from approximately 56.0 per cent. as at 31st December, 2011 to approximately 56.1 per cent. as at 31st March, 2013. The Group recognised a decrease in non-controlling interests of HK\$15,747,000 and an increase in retained profits of HK\$10,356,000.
- (b) During the period, LCR had repurchased a total of 6,640,000 LCR Shares for a total consideration (including expenses) of approximately HK\$1,204,000. In December 2012, LCR had issued 2,300,000 LCR Shares upon the exercise in cash by an option holder of his right to subscribe for LCR Shares at a total consideration of approximately HK\$389,000. The Group's effective ownership in LCR increased from approximately 71.21 per cent. as at 31st December, 2011 to approximately 71.24 per cent. as at 31st March, 2013. The Group recognised a decrease in non-controlling interests of HK\$1,755,000 and an increase in retained profits of HK\$1,048,000.

Notes to the Financial Statements *(continued)*

39. CONTINGENT LIABILITIES

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

(a) Bankers' guarantee

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Secured bankers' guarantee <i>(Note (i))</i>	33,637	41,560
Unsecured bankers' guarantee <i>(Note (ii))</i>	6,270	2,850
	39,907	44,410

Note:

- (i) The Group had bankers' guarantees issued in lieu of rental and utility deposits for the premises used in the food businesses segment. As at 31st March, 2014, fixed deposits of approximately HK\$21,435,000 (31st March, 2013 — HK\$25,873,000, restated) were pledged to banks as security for bankers' guarantees issued.
- (ii) The Group had bankers' guarantees issued to suppliers in the ordinary course of business and in lieu of rental and utility deposits for the premises used in the food businesses segment.

(b) Details of the off-balance sheet exposures relating to banking operation

As at 31st March, 2014, the Group had contingent liabilities relating to its banking subsidiary of HK\$18,063,000 (31st March, 2013 — HK\$20,882,000) comprising guarantees and other endorsements of HK\$15,328,000 (31st March, 2013 — HK\$15,191,000) and liabilities under letters of credit on behalf of customers of HK\$2,735,000 (31st March, 2013 — HK\$5,691,000).

(c) Guarantee to a joint venture

As at 31st March, 2014, the Company provided a guarantee of up to a maximum US\$100 million to a joint venture, guaranteeing its payment obligations to its trade creditors. The Company did not have any material contingent liabilities as at 31st March, 2013.

40. OPERATING LEASE ARRANGEMENTS**(a) As lessor**

The Group leases its investment properties and properties held for sale under operating lease arrangements with leases negotiated for terms ranging from one to six years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market condition. Besides, the Group licenses the use of food and beverage stalls within food courts to individual third party tenants and a subsidiary company. Such licences are in general for a period of one to two years and are not cancellable. In the course of a financial year, there may be terminations and renewals of such licences and the Group has accounted for the licence fee in respect of the non-cancellable leases as at the end of the reporting period. Licences that expired and not renewed during the financial year were not accounted for. Some of the leases provide for variable rent. During the year, the contingent rents recognised as income amounted to HK\$32,138,000 (period ended 31st March, 2013 — HK\$40,470,000, restated).

As at 31st March, 2014, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Within one year	130,736	277,336
In the second to fifth years, inclusive	52,129	214,298
After five years	164	887
	183,029	492,521

(b) As lessee

The Group leases certain properties and vehicles under operating lease agreements which are non-cancellable. The leases expire on various dates until 15th December, 2032 and the leases for properties contain the provision for rental adjustments.

As at 31st March, 2014, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group		Company	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000
Within one year	210,208	155,359	4,482	5,976
In the second to fifth years, inclusive	258,855	197,569	–	4,482
After five years	79,646	28,261	–	–
	548,709	381,189	4,482	10,458

Notes to the Financial Statements *(continued)*

41. COMMITMENTS

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

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
Commitments in respect of property, plant and equipment and properties under development: Contracted, but not provided for	417,042	824,243
Other commitments: Contracted, but not provided for (<i>Note</i>)	90,168	95,493
	507,210	919,736

Note: The balance included the Group's capital commitments in respect of the joint arrangements of approximately HK\$33 million (31st March, 2013 — HK\$36 million, restated).

The Company did not have any material commitments at the end of the reporting period (31st March, 2013 — Nil).

42. RELATED PARTY TRANSACTIONS

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

- (a) During the year, the Group received project management income of HK\$3,149,000 (period ended 31st March, 2013 — HK\$12,034,000, restated) and HK\$1,777,000 (period ended 31st March, 2013 — HK\$2,270,000, restated) from associates and joint ventures of the Group, respectively.
- (b) During the year, the Group received service fees in the total amount of HK\$8,119,000 (period ended 31st March, 2013 — HK\$1,379,000) for management of a restaurant and operation of the French cuisine segment and Japanese cuisine segment of a restaurant from a joint venture of the Group. The service fee was determined by reference to the market rates comparable to that of other service providers.
- (c) During the year, the Group sold food and beverage products of HK\$1,967,000 (period ended 31st March, 2013 — HK\$1,455,000) to a joint venture of the Group. The sales were made on normal commercial terms in line with, and with reference to, the industry practice.
- (d) During the year, the Group generated sales of HK\$19,111,000 (period ended 31st March, 2013 — HK\$31,278,000) from a joint venture. The prices and terms of sales are on normal commercial terms and are comparable to, or no more favorable than the prices and terms offered to other customers who are independent third parties of similar credit standing, trading volume and trading record.

42. RELATED PARTY TRANSACTIONS *(continued)*

- (e) During the year, the Group paid rental expenses (including service charge) in the total amount of HK\$3,509,000 (period ended 31st March, 2013 — HK\$3,787,000) to a joint venture of the Group. The rentals were determined by reference to the then prevailing open market rentals. The relevant lease will expire on 14th July, 2016. The Group expects the total future minimum lease payables for the year ending 31st March, 2015, 31st March, 2016 and 31st March, 2017 to be approximately HK\$3,407,000, HK\$3,407,000 and HK\$994,000, respectively.
- (f) During the year, the Group paid rental expenses (including service charges) of HK\$3,421,000 (period ended 31st March, 2013 — HK\$4,703,000) to a joint venture of the Group, in respect of office premises occupied by a subsidiary of the Group which was disposed of during the year. The rental was determined by reference to the then prevailing open market rentals.
- (g) In October 2013, LCR 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 to a subsidiary of a joint venture of the Group. The Disposal was completed in January 2014 for a final cash consideration of approximately HK\$833.7 million.
- (h) As at 31st March, 2014, the Group had balances with its associates and joint ventures, further details of which are set out in Notes 19, 20 and 23 to the financial statements, respectively.
- (i) The key management personnel of the Group are the Directors. Details of the Directors’ emoluments are disclosed in Note 7 to the financial statements.

The above transactions were not continuing connected transactions or connected transactions as defined under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) which were subject to the disclosure requirements under the Listing Rules during the year.

Notes to the Financial Statements *(continued)*

43. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Group

At 31st March, 2014

Financial assets

	Financial assets at fair value through profit or loss held for trading HK\$'000	Loans and receivables HK\$'000	Available-for-sale financial assets HK\$'000	Total HK\$'000
Amount due from a joint venture	–	63,587	–	63,587
Available-for-sale financial assets	–	–	226,280	226,280
Financial assets at fair value through profit or loss	347,888	–	–	347,888
Loans and advances	–	367,598	–	367,598
Financial assets included in debtors, prepayments and deposits	–	637,551	–	637,551
Client trust bank balances	–	311,353	–	311,353
Restricted cash	–	198,112	–	198,112
Treasury bills	–	33,950	–	33,950
Cash and bank balances	–	4,066,923	–	4,066,923
	347,888	5,679,074	226,280	6,253,242

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition HK\$'000	Financial liabilities at amortised cost HK\$'000	Derivative financial instruments HK\$'000	Total HK\$'000
Bank and other borrowings	–	1,340,534	–	1,340,534
Financial liabilities included in creditors, accruals and deposits received	–	1,324,247	–	1,324,247
Current, fixed, savings and other deposits of customers	–	332,180	–	332,180
Other financial liabilities	15,739	–	259	15,998
	15,739	2,996,961	259	3,012,959

Notes to the Financial Statements *(continued)*

43. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: *(continued)*

Group

At 31st March, 2013 (restated)

Financial assets

	Financial assets at fair value through profit or loss designated as such upon initial recognition HK\$'000	Financial assets at fair value through profit or loss held for trading HK\$'000	Loans and receivables HK\$'000	Available- for-sale financial assets HK\$'000	Derivative financial instruments HK\$'000	Total HK\$'000
Amount due from an associate	-	-	15,526	-	-	15,526
Amount due from a joint venture	-	-	3,981	-	-	3,981
Available-for-sale financial assets	-	-	-	396,283	-	396,283
Financial assets at fair value through profit or loss	217,905	370,714	-	-	-	588,619
Other financial assets	-	-	-	-	24,914	24,914
Loans and advances	-	-	332,481	-	-	332,481
Financial assets included in debtors, prepayments and deposits	-	-	536,406	-	-	536,406
Client trust bank balances	-	-	356,002	-	-	356,002
Restricted cash	-	-	1,120,567	-	-	1,120,567
Treasury bills	-	-	9,700	-	-	9,700
Cash and bank balances	-	-	2,538,321	-	-	2,538,321
	217,905	370,714	4,912,984	396,283	24,914	5,922,800

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition HK\$'000	Financial liabilities at amortised cost HK\$'000	Derivative financial instruments HK\$'000	Total HK\$'000
Bank and other borrowings	-	2,982,241	-	2,982,241
Financial liabilities included in creditors, accruals and deposits received	-	1,402,754	-	1,402,754
Current, fixed, savings and other deposits of customers	-	266,786	-	266,786
Other financial liabilities	134,632	-	32,440	167,072
Amount due to joint ventures	-	160,091	-	160,091
	134,632	4,811,872	32,440	4,978,944

Notes to the Financial Statements *(continued)*

43. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: *(continued)*

Company

Financial assets

	Loans and receivables HK\$'000	Available-for-sale financial assets HK\$'000	Total HK\$'000
At 31st March, 2014			
Available-for-sale financial assets	–	1,200	1,200
Financial assets included in debtors, prepayments and deposits	550	–	550
Cash and bank balances	294,515	–	294,515
	295,065	1,200	296,265
At 31st March, 2013			
Available-for-sale financial assets	–	1,200	1,200
Financial assets included in debtors, prepayments and deposits	501	–	501
Cash and bank balances	136,565	–	136,565
	137,066	1,200	138,266

Financial liabilities

	Financial liabilities at amortised cost	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000
Bank loans	335,000	435,000
Financial liabilities included in creditors, accruals and deposits received	1,666	1,308
	336,666	436,308

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments carried at fair value, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

Group

	Carrying amounts		Fair values	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000
Financial assets				
Available-for-sale financial assets	94,840	246,411	94,840	246,411
Financial assets at fair value through profit or loss	347,888	588,619	347,888	588,619
Other financial assets	–	24,914	–	24,914
	442,728	859,944	442,728	859,944
Financial liabilities				
Other financial liabilities	15,998	167,072	15,998	167,072

Management has assessed that the fair values of cash and bank balances, treasury bills, restricted cash, client trust bank balances, financial assets included in debtors, prepayments and deposits, loans and advances, amounts due from associates, financial liabilities included in creditors, payables and accruals and current, fixed, savings and other deposits of customers approximate to their carrying amounts largely due to the short term maturity of these instruments. In addition, the fair values of interest-bearing bank and other borrowings with floating interest rates approximate to their carrying amounts.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of significant financial instruments. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines major inputs applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to the Financial Statements *(continued)*

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity investments, debt instruments and derivative financial instruments are based on quoted market prices.

The fair values of unlisted investments funds are assessed to approximate the net asset values indicated on the net asset value statement issued by the investment fund manager, which take into consideration the fair value of the underlying properties and assets held under the investments. Where appropriate, a discount is applied to take into consideration of the non-marketable nature of the investments.

The fair value of financial liabilities at fair value through profit or loss designated as such upon initial recognition in Level 2 of fair value hierarchy is determined by reference to the pro rata share held by external parties of the net asset value of certain exchange traded fund, which is a subsidiary of the Group.

Below is a summary of significant unobservable inputs to the valuation of financial instruments used in Level 3 fair value measurements as at 31st March, 2014:

	Valuation techniques	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Available-for-sale investment fund	Discounted cash flow method	Discount rate	8 per cent. to 21 per cent.	Increase/(Decrease) in discount rate would result in (decrease)/increase in fair value
Investment funds at fair value through profit or loss	Discounted cash flow method	Discount rate	5 per cent.	Increase/(Decrease) in discount rate would result in (decrease)/increase in fair value

The unquoted mezzanine loan (Note 27) and unquoted redeemable preference shares (Note 24) which were within Level 3 fair value measurements were derecognised during the year. The carrying amount of the mezzanine loan as at 31st March, 2013 approximated its fair value based on the indicative price from an agreement with a prospective buyer for the sale of ordinary share and the RPS held by the Group. The fair value of the RPS as at 31st March, 2013 was determined as the redemption amount being the net asset value of the real estate fund.

The fair value of interest rate swap contract as at 31st March, 2013 was 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 as at 31st March, 2013 was 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.

Notes to the Financial Statements *(continued)*

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Group

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
As at 31st March, 2014				
Assets measured at fair value				
Available-for-sale financial assets:				
Equity securities	51	–	–	51
Debt securities	84,021	–	–	84,021
Investment funds	–	–	10,768	10,768
Financial assets at fair value through profit or loss:				
Equity securities	319,788	–	–	319,788
Investment funds	–	9,197	18,903	28,100
	403,860	9,197	29,671	442,728
Liabilities measured at fair value				
Other financial liabilities:				
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	–	15,739	–	15,739
Derivative financial instruments	259	–	–	259
	259	15,739	–	15,998
As at 31st March, 2013 (restated)				
Assets measured at fair value				
Available-for-sale financial assets:				
Equity securities	155,950	–	–	155,950
Debt securities	69,627	–	–	69,627
Investment funds	–	3,604	17,230	20,834
Financial assets at fair value through profit or loss:				
Equity securities	329,631	–	–	329,631
Investment funds	–	11,540	29,543	41,083
Mezzanine loan	–	–	217,905	217,905
Other financial assets:				
Derivative financial instruments	–	17,639	7,275	24,914
	555,208	32,783	271,953	859,944
Liabilities measured at fair value				
Other financial liabilities:				
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	–	35,713	98,919	134,632
Derivative financial instruments	–	32,440	–	32,440
	–	68,153	98,919	167,072

Notes to the Financial Statements *(continued)*

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The movements in fair value measurements in Level 3 during the year/period are as follows:

Group

	Available- for-sale investment funds HK\$'000	Investment funds at fair value through profit or loss 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
Year ended 31st March, 2014					
At 1st April, 2013	17,230	29,543	7,275	217,905	(98,919)
Total gains/(losses) recognised in the statement of profit or loss	-	966	(7,275)	-	(524)
Total losses recognised in other comprehensive income	(5,572)	-	-	-	-
Purchases	126	-	-	-	-
Disposals	(1,008)	(11,486)	-	(217,905)	99,443
Exchange adjustments	(8)	(120)	-	-	-
At 31st March, 2014	10,768	18,903	-	-	-
Period ended 31st March, 2013 (restated)					
At 1st January, 2012	50,029	102,273	18,625	-	(97,508)
Total gains/(losses) recognised in the statement of profit or loss	-	4,614	(11,350)	-	(9,754)
Total gains recognised in other comprehensive income	2,591	-	-	2,719	8,343
Transferred from Level 2	-	-	-	215,186	-
Purchases	5,298	-	-	-	-
Disposals	(40,677)	(77,324)	-	-	-
Exchange adjustments	(11)	(20)	-	-	-
At 31st March, 2013	17,230	29,543	7,275	217,905	(98,919)

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

During the period ended 31st March, 2013, the Group transferred a financial instrument from Level 2 to Level 3 of the fair value hierarchy. The carrying amount of the total financial assets transferred was HK\$215,186,000. The reason for the transfers from Level 2 to Level 3 is that inputs to the valuation model for the financial instrument ceased to be observable. Prior to transfer, the fair value of the instrument was determined using observable market transactions for the same or similar instruments. Since the transfer, the instrument has been valued using non-market observable inputs based on the indicative price from an agreement with a prospective buyer for the sale of the RPS held by the Group. Except for this, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Company

The Company did not have any financial assets and financial liabilities measured at fair value as at 31st March, 2014 and 31st March, 2013.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has established policies and procedures for risk management which are reviewed regularly by the Executive Directors and senior management of the Group to ensure the proper monitoring and control of all major risks arising from the Group's activities at all times.

The Group also enters into derivative transactions, including principally interest rate swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operation and its sources of finance.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The risk management function is carried out by individual business units and regularly overseen by the Group's senior management with all the risk limits approved by the Executive Directors of the Group, which are summarised below. The Group's accounting policies in relation to derivatives are set out in Note 2.4 to the financial statements.

(a) Credit risk

Credit risk arises from the possibility that the counterparty in a transaction may default. It arises from lending, treasury, investment, food businesses and other activities undertaken by the Group.

The credit policies for banking and margin lending businesses set out in details the credit approval and monitoring mechanism, the loan classification criteria and provision policy. Credit approval is conducted in accordance with the credit policies, taking into account the type and tenor of loans, creditworthiness and repayment ability of prospective borrowers, collateral available and the resultant risk concentration in the context of the Group's total assets. Day-to-day credit management is performed by management of individual business units.

In addition, the Group's exposure to credit risk for its food businesses arises primarily from trade and other debtors. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. Credit policies with guidelines on credit terms and limits set the basis for risk control. New customers are subject to credit evaluation while the Group continues to monitor existing customers, especially those with repayment issues. In addition, appropriate allowances are made for probable losses when necessary for identified debtors.

The Group has established guidelines to ensure that all new debt investments are properly made, taking into account factors such as the credit rating requirements and the maximum exposure limit to a single corporate or issuer. All relevant departments within the Group are involved to ensure that appropriate processes, systems and controls are set in place before and after the investments are acquired.

Notes to the Financial Statements *(continued)*

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk *(continued)*

The Group's exposure to credit risk arising from loans and advances and trade debtors at the end of the reporting period based on the information provided to key management is as follows:

	Group	
	31st March, 2014 HK\$'000	31st March, 2013 HK\$'000 (Restated)
By geographical area:		
Hong Kong	132,936	125,049
Macau	288,705	248,278
Mainland China	102	931
Republic of Singapore	254,325	228,117
Malaysia	105,519	107,162
Others	10,382	8,910
	791,969	718,447

The bank balances are deposited with creditworthy banks with no recent history of default.

(b) Liquidity risk

The Group manages the liquidity structure of its assets, liabilities and commitments in view of market conditions and its business needs, as well as to ensure that its operations meet the statutory requirement for minimum liquidity ratio whenever applicable.

Management comprising Executive Directors and senior managers monitors the liquidity position of the Group on an on-going basis to ensure the availability of sufficient liquid funds to meet all obligations as they fall due and to make the most efficient use of the Group's financial resources. As at 31st March, 2014, approximately 90 per cent. (31st March, 2013 — 22 per cent., restated) of the Group's debts would mature in less than one year based on the carrying values of bank and other borrowings.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

An analysis of the maturity profile of debt instruments, loans and receivables, non-derivative financial liabilities and net-settled derivative financial instruments of the Group analysed by the remaining period at the end of the reporting period to the contractual maturity date is as follows:

Group

	Repayable on demand HK\$'000	3 months or less HK\$'000	1 year or less but over 3 months HK\$'000	5 years or less but over 1 year HK\$'000	After 5 years HK\$'000	Undated HK\$'000	Total HK\$'000
At 31st March, 2014							
Assets							
Amount due from a joint venture	-	-	-	63,587	-	-	63,587
Debt securities:							
Available-for-sale financial assets	-	-	3,753	57,688	13,550	20,603	95,594
Loans and advances	172,545	65,680	38,222	69,984	21,167	-	367,598
Debtors and deposits	107,143	375,887	67,614	44,740	-	42,167	637,551
Client trust bank balances	287,301	24,052	-	-	-	-	311,353
Restricted cash	173,942	23,030	1,140	-	-	-	198,112
Treasury bills	-	33,950	-	-	-	-	33,950
Cash and bank balances	867,946	2,973,267	225,710	-	-	-	4,066,923
	1,608,877	3,495,866	336,439	235,999	34,717	62,770	5,774,668
Liabilities							
Bank and other borrowings	6,305	550,000	651,066	133,520	-	-	1,340,891
Creditors, accruals and deposits received	338,956	553,068	276,183	4,143	-	151,897	1,324,247
Current, fixed, savings and other deposits of customers	81,816	188,059	62,305	-	-	-	332,180
Other financial liabilities	15,739	259	-	-	-	-	15,998
Bankers' guarantee	-	1,228	7,552	31,127	-	-	39,907
	442,816	1,292,614	997,106	168,790	-	151,897	3,053,223

Notes to the Financial Statements *(continued)*

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) Liquidity risk *(continued)*

Group

	Repayable on demand HK\$'000	3 months or less HK\$'000	1 year or less but over 3 months HK\$'000	5 years or less but over 1 year HK\$'000	After 5 years HK\$'000	Undated HK\$'000	Total HK\$'000
At 31st March, 2013 (restated)							
Assets							
Amount due from an associate	-	-	15,526	-	-	-	15,526
Amount due from a joint venture	-	-	-	-	-	3,981	3,981
Debt securities:							
Available-for-sale financial assets	-	-	-	34,322	24,307	22,571	81,200
Financial assets at fair value through profit or loss	217,905	-	-	-	-	-	217,905
Loans and advances	197,067	41,531	28,562	45,730	19,591	-	332,481
Debtors and deposits	33,793	346,522	73,039	30,498	44	52,510	536,406
Client trust bank balances	292,735	63,267	-	-	-	-	356,002
Restricted cash	1,072,212	48,355	-	-	-	-	1,120,567
Treasury bills	-	9,700	-	-	-	-	9,700
Cash and bank balances	963,712	1,491,295	83,314	-	-	-	2,538,321
	2,777,424	2,000,670	200,441	110,550	43,942	79,062	5,212,089
Liabilities							
Bank and other borrowings	9,163	571,304	72,951	2,358,134	-	-	3,011,552
Creditors, accruals and deposits received	378,673	308,939	284,038	3,206	-	427,898	1,402,754
Derivative financial instruments	-	326	977	1,953	-	-	3,256
Current, fixed, savings and other deposits of customers	103,335	142,586	20,865	-	-	-	266,786
Other financial liabilities	35,713	-	-	98,919	-	-	134,632
Amount due to joint ventures	-	-	-	-	-	160,091	160,091
Bankers' guarantee	-	7,950	7,412	29,048	-	-	44,410
	526,884	1,031,105	386,243	2,491,260	-	587,989	5,023,481

At 31st March, 2013, the forward currency contracts required gross settlement with undiscounted contractual cash inflows of HK\$1,586,812,000 and undiscounted contractual cash outflows of HK\$1,601,033,000 for the year ending 31st March, 2016. The forward currency contracts were terminated during the year.

Notes to the Financial Statements *(continued)*

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) Liquidity risk *(continued)*

An analysis of the maturity profile of assets and liabilities of the Company analysed by the remaining period at the end of the reporting period to the contractual maturity date is as follows:

Company

	Repayable on demand HK\$'000	3 months or less HK\$'000	1 year or less but over 3 months HK\$'000	5 years or less but over 1 year HK\$'000	Undated HK\$'000	Total HK\$'000
At 31st March, 2014						
Assets						
Debt securities:						
Available-for-sale financial assets	–	–	–	–	1,200	1,200
Debtors and deposits	–	52	–	–	498	550
Cash and bank balances	139,257	155,258	–	–	–	294,515
	139,257	155,310	–	–	1,698	296,265
Liabilities						
Bank loans	–	185,000	20,000	130,000	–	335,000
Creditors, accruals and deposits received	–	329	–	–	1,337	1,666
	–	185,329	20,000	130,000	1,337	336,666
At 31st March, 2013						
Assets						
Debt securities:						
Available-for-sale financial assets	–	–	–	–	1,200	1,200
Debtors and deposits	–	3	–	–	498	501
Cash and bank balances	78,354	58,211	–	–	–	136,565
	78,354	58,214	–	–	1,698	138,266
Liabilities						
Bank loans	–	225,000	25,000	185,000	–	435,000
Creditors, accruals and deposits received	–	226	–	–	1,082	1,308
	–	225,226	25,000	185,000	1,082	436,308

Notes to the Financial Statements *(continued)*

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) Interest rate risk

Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets and liabilities. The Group's interest rate positions mainly arise from treasury, banking and other investment activities undertaken.

The Group monitors its interest-sensitive products and investments and net repricing gap and limits interest rate exposure through management of maturity profile, currency mix and choice of fixed or floating interest rates. When appropriate, interest rate swaps would be used to manage this risk in a cost-effective manner. The interest rate risk is managed and monitored regularly by senior management of the Group.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and the Company's profit before tax and equity (through the impact on floating rate monetary assets and liabilities).

	Year ended 31st March, 2014			Period ended 31st March, 2013		
	Increase/ (Decrease) in basis points	Increase/ (Decrease) in profit before tax HK\$'000	Increase/ (Decrease) in equity HK\$'000	Increase/ (Decrease) in basis points	Increase/ (Decrease) in profit before tax HK\$'000	Increase/ (Decrease) in equity HK\$'000 (Restated)
Group						
Hong Kong dollar	+50	(3,039)	(3,039)	+50	(6,974)	(6,974)
United States dollar	+50	589	(937)	+50	1,307	(341)
Singapore dollar	+50	1,637	1,637	+50	2,898	2,898
Renminbi	+50	14,395	14,395	+50	6,319	6,319
Hong Kong dollar	-50	3,039	3,039	-50	6,974	6,974
United States dollar	-50	(589)	1,057	-50	(1,307)	503
Singapore dollar	-50	(1,637)	(1,637)	-50	(2,898)	(2,898)
Renminbi	-50	(14,392)	(14,392)	-50	(6,315)	(6,315)
Company						
Hong Kong dollar	+50	(899)	(899)	+50	(1,851)	(1,851)
United States dollar	+50	13	13	+50	142	142
Singapore dollar	+50	673	673	+50	217	217
Hong Kong dollar	-50	899	899	-50	1,851	1,851
United States dollar	-50	(13)	(13)	-50	(142)	(142)
Singapore dollar	-50	(673)	(673)	-50	(217)	(217)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)***(d) Foreign currency risk**

Foreign currency risk is the risk to earnings or capital arising from movements in foreign exchange rates. The Group's foreign currency risk primarily arises from currency exposures originating from its banking activities, foreign exchange dealings and other investment activities.

The Group monitors the relative foreign exchange positions of its assets and liabilities and allocates accordingly to minimise foreign currency risk. When appropriate, hedging instruments including forward contracts, swaps and currency loans would be used to manage the foreign exchange exposure. The foreign currency risk is managed and monitored on an on-going basis by senior management of the Group.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the United States dollar, Singapore dollar and Renminbi exchange rates, with all other variables held constant, of the Group's and the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/(Decrease) in profit before tax	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Group		
United States dollar against Hong Kong dollar		
— strengthened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	5,622	13,511
— weakened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	(5,622)	(13,511)
Singapore dollar against Hong Kong dollar		
— strengthened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	7,383	9,384
— weakened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	(7,383)	(9,384)
Renminbi against Hong Kong dollar		
— strengthened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	23,492	16,885
— weakened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	(23,492)	(16,885)
Company		
United States dollar against Hong Kong dollar		
— strengthened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	76	849
— weakened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	(76)	(849)
Singapore dollar against Hong Kong dollar		
— strengthened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	4,037	1,303
— weakened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	(4,037)	(1,303)

Notes to the Financial Statements *(continued)*

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(d) Foreign currency risk *(continued)*

The Group has a banking subsidiary in Macau with certain monetary assets and liabilities denominated in Hong Kong dollar and United States dollar. The Directors consider that the foreign currency risk of this subsidiary is immaterial as no material fluctuation of exchange rates between Pataca and Hong Kong dollar and between Pataca and United States dollar is expected.

At the end of the reporting period, the cash and bank balances of the Group's subsidiaries in mainland China denominated in Renminbi amounted to HK\$2,105,759,000 (31st March, 2013 — HK\$428,318,000, restated). The conversion of these Renminbi balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the government in mainland China.

(e) Equity price risk

Equity price risk is the risk that the fair values of financial assets decrease as a result of changes in the levels of equity indices and the values of individual financial assets. The Group is exposed to equity price risk mainly arising from individual financial assets classified as available-for-sale financial assets (Note 21) and financial assets at fair value through profit or loss (Note 27) as at 31st March, 2014. The Group's listed financial assets are mainly listed on the Hong Kong, Singapore, Australia and Indonesia stock exchanges and are valued at quoted market prices at the end of the reporting period.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day to the end of the reporting period, and their respective highest and lowest points during the year/period were as follows:

	31st March, 2014	High/Low Year ended 31st March, 2014	31st March, 2013	High/Low Period ended 31st March, 2013
Hong Kong — Hang Seng Index	22,151	24,039/19,813	22,300	23,822/18,185
Republic of Singapore — Straits Times Index	3,189	3,455/2,960	3,308	3,313/2,688
Australia — S&P/ASX200	5,395	5,463/4,655	4,966	5,147/3,985
Indonesia — Jakarta Composite Index	4,768	5,215/3,967	4,941	4,941/3,655

In prior years, the Group used the Value at Risk model to assess possible changes in the market value of the investment portfolio based on historical data from the past two years. Since most of the financial assets subject to equity price risk are listed equity investments, management considers that sensitivity analysis based on fair value changes is sufficient to monitor the equity price risk and adopts this method starting from the current financial year.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)***(e) Equity price risk** *(continued)*

The following table demonstrates the sensitivity to every 3 per cent. change in the fair values of the equity investments and investment funds, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the available-for-sale equity investments, the impact is deemed to be on the investment revaluation reserve and no account is given for factors such as impairment which might impact on the statement of profit or loss.

	Group			
	31st March, 2014		31st March, 2013	
	Increase/ (Decrease) in profit before tax HK\$'000	Increase/ (Decrease) in equity* HK\$'000	Increase/ (Decrease) in profit before tax HK\$'000	Increase/ (Decrease) in equity* HK\$'000
Available-for-sale financial assets				
Indonesia	–	–	–	4,677
Global and others	–	325	–	627
	–	325	–	5,304
Financial instruments at fair value through profit or loss				
Hong Kong	3,417	–	3,790	–
Republic of Singapore	5,392	–	4,262	–
Australia	559	–	1,105	–
Global and others	578	–	1,116	–
	9,946	–	10,273	–

* Excluding retained profits

(f) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Certain subsidiaries of the Company are regulated by the Securities and Futures Commission (the "SFC") and are required to comply with certain minimum capital requirements according to the rules of the SFC. Management monitors, on a daily basis, these subsidiaries' liquid capital to ensure they meet the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rule.

Notes to the Financial Statements *(continued)*

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(f) Capital management *(continued)*

Under the terms of Macau banking legislation, MCB is required to transfer to a legal reserve an amount equal to a minimum of 20 per cent. of its annual profit after tax until the amount of the reserve is equal to 50 per cent. of its issued and fully paid up share capital. Thereafter, transfers must continue at a minimum annual rate of 10 per cent. of its annual profit after tax until the reserve is equal to MCB's issued and fully paid up share capital. This reserve is only distributable in accordance with certain limited circumstances prescribed by statute. MCB monitors solvency ratio under the requirement of Autoridade Monetária de Macau, the Monetary Authority of Macau, and keeps the ratio at not less than 8 per cent. throughout the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2014 and the period ended 31st March, 2013.

The Group monitors capital using a gearing ratio, which is calculated by dividing its total borrowings, net of non-controlling interests, by total shareholders' equity. Total borrowings include current and non-current bank and other borrowings. Total shareholders' equity represents equity attributable to equity holders of the Company.

	Group	
	Year ended 31st March, 2014 HK\$'000	Period ended 31st March, 2013 HK\$'000 (Restated)
Bank and other borrowings <i>(Note 29)</i>	1,340,534	2,982,241
Less: Non-controlling interests in bank and other borrowings	(356,075)	(856,582)
Bank and other borrowings, net of non-controlling interests	984,459	2,125,659
Equity attributable to equity holders of the Company	8,631,161	8,848,562
Gearing ratio	11.4 per cent.	24.0 per cent.

46. EVENT AFTER THE REPORTING PERIOD

In February 2014, the Group entered into a sale and purchase agreement with an independent third party in relation to the disposal of an investment property for a consideration of HK\$282,600,000. The transaction was subsequently completed in April 2014.

47. COMPARATIVE FIGURES

As further explained in Note 2.2 to the financial statements, due to the adoption of the new and revised HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made, certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment, and a third statement of financial position as at 1st January, 2012 has been presented.

48. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 27th June, 2014.

Particulars of Principal Subsidiaries

PARTICULARS OF PRINCIPAL SUBSIDIARIES AS AT 31ST MARCH, 2014 ARE AS SET OUT BELOW.

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Acematic Limited	British Virgin Islands	US\$1	100	100	Investment holding
Lippo Finance Holdings Limited	British Virgin Islands	US\$50,000	100	100	Investment holding
Creaworld (Holdings) Company Limited	Hong Kong	HK\$2	–	100	Investment holding
福建華陽湄洲開發有限公司 (Fujian Creaworld Meizhou Development Co., Ltd.)** — wholly foreign-owned enterprise##	People's Republic of China	HK\$91,065,037*	–	100	Property investment and property development
Hennessy Holdings Limited	British Virgin Islands	US\$1	–	100	Investment holding
Lippo Korea Holdings Pte. Limited**	Republic of Singapore	S\$2	–	100	Investment holding
Lippo Investments Management Limited	Hong Kong	HK\$49,400,000	–	100	Fund Management
Lippo Worldwide Investments Limited	British Virgin Islands	US\$1	–	100	Investment holding
Skyscraper Realty Limited	British Virgin Islands	US\$10	–	100	Investment holding
Lippo China Resources Limited (listed on The Stock Exchange of Hong Kong Limited)	Hong Kong	HK\$1,704,032,000	–	71.2	Investment holding
Admiralty Development Limited	Hong Kong	HK\$446,767,129	–	71.2	Property investment
Apexwin Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Ardent Properties Pty Limited**	Australia	A\$10	–	71.2	Property investment
Bestbeat Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Blueway Limited	Hong Kong	HK\$1	–	71.2	Investment holding

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Bondlink Investment Limited	Hong Kong	HK\$100 and HK\$2 non-voting deferred shares	–	71.2	Property investment
Broadwell Asia Limited	British Virgin Islands	US\$1	–	71.2	Property investment
Cajan Enterprises Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Capital Fusion Investments Limited	British Virgin Islands	US\$1	–	71.2	Financing
Caross Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Carvio Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Castar Assets Limited	British Virgin Islands	US\$1	–	71.2	Property investment
Celestial Fortune Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Chalton Assets Limited	British Virgin Islands	US\$1	–	71.2	Property investment
China Chance Investments Limited	Hong Kong	HK\$1	–	71.2	Investment holding
China Gold Pte. Ltd.**	Republic of Singapore	S\$1	–	71.2	Investment holding
China Pacific Electric Limited	British Virgin Islands	US\$100	–	71.2	Investment holding
Chung Po Investment and Development Company Limited	Hong Kong	HK\$1,000 and HK\$2,000,000 non-voting deferred shares	–	71.2	Investment holding
Dragon Board Holdings Limited	British Virgin Islands	S\$1	–	71.2	Investment holding
Energetic Holdings Limited	British Virgin Islands	US\$1	–	71.2	Property investment
Ethnos Ltd.**	Israel	NIS100	–	71.2	Property holding

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Fortune Finance Investment Limited	British Virgin Islands	US\$1	–	71.2	Investment
Frontop Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
福建莆田忠信物業管理有限公司 (Fujian Putian Zhong Xin Property Management Limited)** — wholly foreign-owned re-invested enterprise##	People's Republic of China	RMB810,000*	–	71.2	Property management
福建大地湄洲工業區開發有限公司 (Fujian Tati Meizhou Industrial Park Development Co., Ltd.):** — wholly foreign-owned enterprise##	People's Republic of China	US\$5,000,000*	–	71.2	Property investment and property development
Gabarro Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Golden Platform Holdings Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Golden Rain Holdings Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Golden Super Holdings Limited	British Virgin Islands	US\$1	–	71.2	Investment
Goldmax Pacific Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Gothic Investments Limited	Samoa	US\$1	–	71.2	Property investment
Grand Vista Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Grandtop Pacific Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
HKCL Investments Pte. Ltd.**	Republic of Singapore	S\$2	–	71.2	Property development
Hongkong China Treasury Limited	British Virgin Islands/ Hong Kong	US\$1	–	71.2	Securities investment

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Istan Assets Limited	British Virgin Islands	US\$1	–	71.2	Property investment
Jivas Pacific Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Keytime Holdings Limited	British Virgin Islands	US\$1	–	71.2	Property investment
Kingz Ltd	British Virgin Islands	US\$1	–	71.2	Investment holding
LCR Ltd.	British Virgin Islands	US\$1	–	71.2	Intellectual property
LCR Management Limited	Hong Kong	HK\$1	–	71.2	Management services
Laurel Century Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Lippo Consortium Pte. Limited**	Republic of Singapore	S\$2	–	71.2	Property development
Lippo Energy Group Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Lippo Group International Pte. Limited**	Republic of Singapore	S\$2	–	71.2	Investment holding
力寶置業(江蘇)有限公司 (Lippo Realty (Jiangsu) Limited)** — wholly foreign-owned enterprise##	People's Republic of China	US\$47,000,000*	–	71.2	Property development
力寶置業(泰州)有限公司 (Lippo Realty (Taizhou) Limited)** — wholly foreign-owned enterprise##	People's Republic of China	US\$25,000,000*	–	71.2	Property development
Lippo Resources Investments Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Lippo Retail Holdings Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Lippoland (Singapore) Pte. Ltd.**	Republic of Singapore	S\$2,000,000	–	71.2	Investment holding
Mantor Assets Limited	British Virgin Islands	US\$1	–	71.2	Property investment
Masstrong Limited	Hong Kong	HK\$1	–	71.2	Investment holding

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated) [#]		Principal activities
Maxfit Holding Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Netscope Limited	British Virgin Islands	US\$1	–	71.2	Investment
PacNet Holdings Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
PacNet Capital (U.S.) Limited	United States of America	US\$0.281	–	71.2	Investment holding
Pantogon Holdings Pte Ltd**	Republic of Singapore	S\$1,000,000	–	71.2	Investment holding
Polarstar Capital Limited	British Virgin Islands	US\$1	–	71.2	Investment
Porbandar Limited	British Virgin Islands/ Hong Kong	US\$2	–	71.2	Property investment
莆田塔林基礎建設有限公司 (Putian Talin Infrastructure Company Limited)** — wholly foreign-owned enterprise ^{##}	People's Republic of China	US\$300,000*	–	71.2	Property services
Queenz Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Radical Profits Limited	British Virgin Islands	US\$1	–	71.2	Property investment
Reiley Inc.	British Virgin Islands	US\$1	–	71.2	Investment holding
Rich Pride Holdings Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Sanfield Australia Pty Ltd**	Australia	A\$2	–	71.2	Investment holding
Star Trendy Limited	British Virgin Islands/ Hong Kong	US\$1	–	71.2	Property holding
Starrico Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Starvex Limited	British Virgin Islands	US\$1	–	71.2	Investment

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Super Assets Company Limited	Samoa	US\$1	–	71.2	Investment holding
Super Equity International Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Superform Investment Limited	Hong Kong	HK\$100 and HK\$2 non-voting deferred shares	–	71.2	Property investment
Superonic Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Tamsett Holdings Limited	British Virgin Islands	US\$1	–	71.2	Investment holding
Topstar China Limited	Hong Kong	HK\$1	–	71.2	Investment holding
Trefar Enterprises Limited	British Virgin Islands	US\$1	–	71.2	Property investment
Vitaland Limited	Hong Kong	HK\$1	–	71.2	Investment holding
West Tower Holding Limited	British Virgin Islands/ Hong Kong	US\$1	–	71.2	Property investment
Win Joyce Limited	Hong Kong	HK\$2	–	71.2	Money lending and investment holding
Wollora Assets Limited	British Virgin Islands	US\$1	–	71.2	Property investment
World Grand Holding Limited	British Virgin Islands	US\$1	–	71.2	Investment
Writring Investments Limited	Hong Kong	HK\$2	–	71.2	Property investment
珠海力寶置業有限公司 (Zhuhai Lippo Realty Limited)** — wholly foreign-owned enterprise##	People's Republic of China	RMB225,000,000*	–	71.2	Property investment and property development
Lippo Select HK & Mainland Property ETF** (an exchange traded fund listed on The Stock Exchange of Hong Kong Limited)	Hong Kong	N/A	–	57.6®	Investment

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Jeremiah Holdings Limited	British Virgin Islands	S\$1,298,645	–	42.7	Investment holding
Asia Now Resources Corp.** <i>(listed on TSX Venture Exchange of Canada)</i>	Canada	C\$30,430,020	–	35.5	Exploration of mineral resources
Nine Heritage Pte Ltd**	Republic of Singapore	S\$1,000,000	–	34.2	Investment holding
Auric Pacific Group Limited** <i>(listed on Singapore Exchange Securities Trading Limited)</i>	Republic of Singapore	S\$64,460,182	–	28.1	Investment holding
APG Foods Pte Ltd**	Republic of Singapore	S\$50,000,000	–	28.1	Investment holding
Auric Pacific Food Industries Pte Ltd**	Republic of Singapore	S\$54,400,000	–	28.1	General wholesale trade in food products
Auric Pacific Marketing Pte Ltd**	Republic of Singapore	S\$10,000,000	–	28.1	General wholesale trade and retail
Centurion Marketing Pte Ltd**	Republic of Singapore	S\$500,000	–	28.1	Wholesale of other specific commodities
Auric Pacific Food Retail Pte. Ltd.**	Republic of Singapore	S\$1	–	28.1	Investment holding
Edmontor Investments Pte Ltd**	Republic of Singapore	S\$47,367,335	–	28.1	Investment holding and wholesale trade
Delifrance Asia Ltd**	Republic of Singapore	S\$180,581,000	–	28.1	Management and holding company, development and sale of franchising activities
Delifrance Singapore Pte Ltd**	Republic of Singapore	S\$4,000,002	–	28.1	Manufacture and sale of French bakery and pastry products and operation of café-bakeries, bakery corners and restaurants

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Delifrance (HK) Ltd**	Hong Kong	HK\$12,000,000	–	28.1	Manufacture and sale of French bakery and pastry products and operation of café-bakeries, bakery corners and restaurants
Delifrance (Malaysia) Sdn. Bhd.**	Malaysia	RM7,500,000	–	28.1	Preparation and sale of French bakery and pastry products and operation of café-bakeries
上海德利法蘭新食品有限公司 (Shanghai Delifrance Foodstuff Co., Ltd.)** — wholly foreign-owned enterprise##	People's Republic of China	US\$1,880,000*	–	28.1	Manufacture and sale of bakery and pastry products and operation of café-bakeries
Auric Pacific (M) Sdn. Bhd.**	Malaysia	RM1,000,000	–	28.1	Marketing and distribution of food products
Auric Chun Yip Sdn. Bhd.**	Malaysia	RM12,000,000	–	28.1	Supply of bakery, confectionery materials and other general products
Auric Pacific Food Processing Sdn. Bhd.**	Malaysia	RM1,200,000	–	28.1	Manufacturer of and dealer in butter, margarine and related confectionery products
Cuisine Continental (HK) Limited**	Hong Kong	HK\$3,000,000	–	28.1	Retailing of food and beverage products and services

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#	Principal activities
Auric Pacific Investment Holdings Pte. Ltd.**	Republic of Singapore	S\$2	– 28.1	Investment holding in technology related companies
Auric Pacific Investment Pte. Ltd.**	Republic of Singapore	S\$2	– 28.1	Investment holding
APG Strategic Investment Pte. Ltd.**	Republic of Singapore	S\$1	– 28.1	Investment holding
Auric Property Pte Ltd**	Republic of Singapore	S\$10,000,000	– 28.1	Holding company
Auric Pacific Realty Pte. Ltd.**	Republic of Singapore	S\$1	– 28.1	Property developers and investment
Auric Pacific Dairy (Foshan) Limited**	British Virgin Islands	US\$2	– 28.1	Investment holding
佛山澳純乳業有限公司 (Foshan Ausoon Dairy Co., Ltd)** — wholly foreign-owned enterprise##	People's Republic of China	US\$5,952,000*	– 28.1	Farm sub-letting for rental income
廣州澳純餐飲企業管理有限公司 (Guangzhou Ausoon Food & Beverage Enterprise Management Co., Ltd)** — wholly foreign-owned enterprise##	People's Republic of China	RMB1,000,000*	– 28.1	Food and beverage management
Food Junction Holdings Limited**	Republic of Singapore	S\$14,296,468.20	– 27.5	Investment holding and provision of management services to its subsidiaries, fast food restaurants and general wholesale trade

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Malones Holdings Pte. Ltd.**	Republic of Singapore	S\$1,000	–	27.5	Investment holding
Food Junction International Pte Ltd**	Republic of Singapore	S\$400,000	–	27.5	Fast food restaurants and general wholesale trade
Food Junction Management Pte Ltd**	Republic of Singapore	S\$1,489,000	–	27.5	Food courts and fast food restaurants, and general wholesale trade
Star Party Pte. Ltd.**	Republic of Singapore	S\$200,000	–	27.5	Sale of food and beverages
Lifestyle Dining Pte. Ltd.**	Republic of Singapore	S\$200,000	–	27.5	Investment holding
邁博餐飲管理(上海)有限公司 (Maibo Restaurant Management (Shanghai) Co., Ltd)** — wholly foreign-owned enterprise##	People's Republic of China	US\$140,000*	–	27.5	Management and operation of restaurants in Shanghai
All Around Limited**	British Virgin Islands	HK\$31,000,000	–	27.5	Investment holding
LCR Catering Services Limited**	Hong Kong	HK\$9,000,000	–	24.7	Owns and operates a restaurant in Hong Kong
福將坊(北京)餐飲有限公司 (Food Junction Beijing Co., Ltd)** — wholly foreign-owned enterprise##	People's Republic of China	US\$3,000,000	–	27.5	Management of food courts and operation of food outlets
PT FJ Square Indonesia**	Indonesia	US\$400,000	–	27.5	Management of food courts and operation of food outlets

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
T & W Food Junction Sdn. Bhd.**	Malaysia	RM500,000	–	27.5	Management of food courts and operation of food outlets
Food Junction Singapore Pte Ltd.**	Republic of Singapore	S\$400,000	–	27.5	Fast food restaurants and general wholesale trade
Zutis Pte. Ltd.**	Republic of Singapore	S\$200,000	–	27.5	Sale of food and beverages, and management of restaurants, cafes and bars
Eggs & Berries Pte. Ltd.**	Republic of Singapore	S\$1,000	–	27.5	Investment holding
Medzs Pte. Ltd.**	Republic of Singapore	S\$1,000	–	27.5	Investment holding
Medzs (Singapore) Pte. Ltd.**	Republic of Singapore	S\$200,000	–	27.5	Sale of food and beverages
The Boxing Crab Pte. Ltd.**	Republic of Singapore	S\$200,000	–	27.5	Sale of food and beverages
Wan Style Pte. Ltd.**	Republic of Singapore	S\$1,000	–	27.5	Investment holding
Wan Style (Singapore) Pte. Ltd.**	Republic of Singapore	S\$200,000	–	27.5	Sale of food and beverages
Eggs & Berries (Singapore) Pte. Ltd.**	Republic of Singapore	S\$500,000	–	27.5	Sale of food and beverages
Hongkong Chinese Limited <i>(listed on The Stock Exchange of Hong Kong Limited)</i>	Bermuda/Hong Kong	HK\$1,998,280,097	–	56.1	Investment holding

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Allyield Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Apex Tier Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Beaming Empire Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Capital Place International Limited**	British Virgin Islands/ Republic of the Philippines	US\$50,000	–	56.1	Property investment
成都力寶置業有限公司 (Chengdu Lippo Realty Limited)** — wholly foreign-owned enterprise##	People's Republic of China	US\$3,000,000*	–	56.1	Property investment and management
Conrich Inc.	British Virgin Islands	US\$1	–	56.1	Investment holding
Cyberspot Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Cyfield Limited	British Virgin Islands	US\$1	–	56.1	Property investment
Dragonjoy Investment Limited	Hong Kong	HK\$10,000	–	56.1	Securities trading
Everwin Pacific Ltd.	British Virgin Islands	US\$1	–	56.1	Property investment
Fiatsco Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Firstclass Real Estate Development Limited	Macau	MOP25,000	–	56.1	Property development
Golden Stellar Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Green Assets Investments Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
HCL Management Limited	Hong Kong	HK\$1	–	56.1	Management services
HKC Property Investment Holdings Limited	British Virgin Islands	US\$1	–	56.1	Investment holding

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
HKC Realty LLC**	United States of America	US\$2,250,000*	–	56.1	Property investment
Hong Kong Housing Loan Limited	Hong Kong	HK\$40,000,000	–	56.1	Money lending
ImPac Asset Management (HK) Limited	Hong Kong	HK\$8,500,000	–	56.1	Investment advisory and asset management
ImPac Asset Management (Holdings) Ltd.	British Virgin Islands	US\$2,000,100	–	56.1	Investment holding
ImPac Fund Managers (BVI) Ltd.	British Virgin Islands	US\$13,000	–	56.1	Fund management
Lippo Asia Limited	Hong Kong	HK\$120,000,000	–	56.1	Investment holding
Lippo Asset Management (HK) Limited	Hong Kong	HK\$400,000	–	56.1	Fund management
Lippo Futures Limited	Hong Kong	US\$2,000,000	–	56.1	Commodities brokerage
Lippo (S) Pte. Ltd.**	Republic of Singapore	S\$2,000,000	–	56.1	Property investment
Lippo Securities Holdings Limited	Hong Kong	US\$23,000,000	–	56.1	Investment holding
Lippo Securities, Inc.**	Republic of the Philippines	Pesos 69,500,000	–	56.1	Investment holding
Lippo Securities Limited	Hong Kong	HK\$220,000,000	–	56.1	Securities brokerage
L.S. Finance Limited	Hong Kong	HK\$5,000,000	–	56.1	Money lending
Masta Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Masuda Limited	British Virgin Islands	US\$10,000	–	56.1	Investment holding
MGS Ltd.	British Virgin Islands	US\$1	–	56.1	Investment holding

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Norfolk International Limited	Hong Kong	HK\$25,000,000	–	56.1	Investment holding
Okio Ltd.	British Virgin Islands/ Hong Kong	US\$1	–	56.1	Investment holding
Pacific Bond Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Pacific Landmark Holdings Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Peakmillion Asia Limited	British Virgin Islands	US\$1	–	56.1	Investment
Proton Power Asia Limited	Hong Kong	HK\$90	–	56.1	Investment holding
Sinogain Asia Limited	British Virgin Islands	US\$1	–	56.1	Property investment
Sinorite Limited	British Virgin Islands/ Hong Kong	US\$1	–	56.1	Investment
Stargala Limited	British Virgin Islands	US\$1	–	56.1	Property investment
The Macau Chinese Bank Limited**	Macau	MOP260,000,000	–	56.1	Banking
Topbest Asia Inc.	British Virgin Islands/ Hong Kong	US\$1	–	56.1	Investment
Uchida Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Wealtop Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Winluck Asia Limited	British Virgin Islands	US\$1	–	56.1	Property investment
Winluck Pacific Limited	British Virgin Islands	US\$1	–	56.1	Property investment
Winrider Limited	British Virgin Islands	US\$1	–	56.1	Investment holding
Wonder Plan Holdings Limited	British Virgin Islands	US\$1	–	56.1	Investment
Yield Point Limited	British Virgin Islands	US\$1	–	56.1	Investment holding

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated) [#]	Principal activities
北京力寶世紀置業有限公司 (Beijing Lippo Century Realty Co., Ltd.)** — cooperative joint venture enterprise ^{##}	People's Republic of China	US\$36,000,000*	– 44.9	Property development
TechnoSolve Limited	Hong Kong	HK\$26,296,000	– 38.5	Development of computer hardware and software
科慧(珠海)軟件有限公司** — wholly foreign-owned enterprise ^{##}	People's Republic of China	RMB800,000*	– 38.5	Development and sale of banking software and technical advisory
Kingtek Limited	British Virgin Islands	US\$100	– 33.7	Investment holding

[#] based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein

[@] based on the interest attributable to the Group

^{##} type of legal entity

* paid up registered capital

** audited by certified public accountants other than Ernst & Young, Hong Kong

Note:

A\$ — Australian dollars

C\$ — Canadian dollars

MOP — Macau patacas

RM — Malaysian ringgits

NIS — New Israeli shekels

Pesos — Philippines pesos

RMB — People's Republic of China renminbi

S\$ — Singapore dollars

US\$ — United States dollars

Save for C\$1,248,000 senior unsecured convertible debenture issued by Asia Now Resources Corp., a subsidiary of the Company, to China Gold Pte. Ltd., a subsidiary of the Company, in December 2013, as at 31st March, 2014, all the subsidiaries of the Company had no loan capital or convertible loan capital.

The above table includes the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of all subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

Particulars of Principal Associates

PARTICULARS OF PRINCIPAL ASSOCIATES AS AT 31ST MARCH, 2014 ARE AS SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Group [#]	Principal activities
Standard Pacific Limited	Corporate	Hong Kong	HK\$4,290,000	50	Investment holding
MIDAN City Development Co., Ltd.	Corporate	Republic of Korea	KRW89,266,285,000	38.5	Property development
Lippo-Savills Property Management Limited	Corporate	Hong Kong	HK\$2	35.6	Property management services
Maxipo International Limited	Corporate	Hong Kong	HK\$64,595,748	34.8	Trading and investment holding
莆田華正自來水有限公司 (Putian Hua Zheng Water Co., Ltd.)	Equity joint venture enterprise	People's Republic of China	RMB9,250,000*	28.5	Water supply
DXS Capital Limited	Corporate	British Virgin Islands	US\$100	28.5	Investment holding
Greenix Limited	Corporate	British Virgin Islands	US\$100,000	28.1	Investment holding
Lippo Marina Collection Pte. Ltd.	Corporate	Republic of Singapore	S\$1,000,000	28.1	Property development
Lippo ASM Investment Management Limited	Corporate	Cayman Islands	US\$100	27.5	Investment management
Catalyst Enterprises Limited	Corporate	British Virgin Islands	US\$50,000	24.9	Investment holding
Goldfix Pacific Ltd.	Corporate	British Virgin Islands	US\$16,286.6	20.7	Investment holding

[#] based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein

* paid up registered capital

Particulars of Principal Associates *(continued)*

Note:

KRW — Korean won

RMB — People's Republic of China renminbi

S\$ — Singapore dollars

US\$ — United States dollars

The above table includes the associates of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of all associates would, in the opinion of the Directors, result in particulars of excessive length.

Particulars of Principal Joint Ventures

PARTICULARS OF PRINCIPAL JOINT VENTURES AS AT 31ST MARCH, 2014 ARE AS SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operations	Issued and fully paid ordinary share capital	Approximate percentage of equity attributable to the Group (unless otherwise stated) [#]	Principal activities
Tanglin Residential Pte. Ltd.	Corporate	Republic of Singapore	S\$2	35.6	Property investment and property development
Lippo Real Estate Pte. Limited	Corporate	Republic of Singapore	S\$1,000,000	28.1	Property development
Sunning Asia Limited	Corporate	British Virgin Islands	US\$50,000	28.1	Investment holding
Yamoo Bay Project Limited	Corporate	British Virgin Islands	US\$2	28.1	Investment holding
Lippo ASM Asia Property Limited	Corporate	Cayman Islands	US\$1,000	Note (b)	Investment holding
LOCZ Korea Corporation	Corporate	Republic of Korea	KRW5,312,460,000	20.0*	Development of integrated resort
LOCZ Korea Investment Pte. Ltd.	Corporate	Republic of Singapore	US\$51,000,000	20.0*	Investment holding
Delifrance Singapore Wholesale Pte. Ltd.	Corporate	Republic of Singapore	S\$800,000	13.8	Wholesale of French bakery and pastry products
Wealthy Place Limited	Corporate	British Virgin Islands	US\$2	16.8	Investment holding
Lippo Project Pte. Limited	Corporate	Republic of Singapore	S\$2	16.8	Property development

[#] based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein

* based on the actual interest attributable to the Group

Note:

(a) KRW — Korean won
S\$ — Singapore dollars
US\$ — United States dollars

(b) Its issued share capital comprised of (i) 800 voting, non-participating class "A" shares of US\$1.00 each; (ii) 100 non-voting, participating class "B" shares of US\$1.00 each; and (iii) 100 non-voting, participating class "C" shares of US\$1.00 each. The Group, through a non-wholly owned subsidiary, was interested in 50 per cent. of all the class "A" shares in issue and 100 per cent. of all the class "B" shares in issue which entitled the Group, through a non-wholly owned subsidiary, to 50 per cent. of the voting rights and approximately 94.26 per cent. of the profit sharing of this company.

Particulars of Joint Operations

PARTICULARS OF JOINT OPERATIONS AS AT 31ST MARCH, 2014 ARE AS SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operations	Registered capital	Approximate percentage of interest attributable to the Group [#]	Principal activities
雲南東鑫礦產勘查有限公司 (Yunnan Dong Xin Mineral Exploration Company Limited)	Chinese Foreign Cooperative Joint Venture Enterprise	People's Republic of China	US\$13,550,000	25.6	Exploration of mineral resources
雲南現代礦業勘查有限公司 (Yunnan Now Mineral Exploration Company Limited)	Chinese Foreign Cooperative Joint Venture Enterprise	People's Republic of China	US\$6,398,980	20.4	Exploration of mineral resources

[#] represents the effective interest of the Group after non-controlling interests therein

Note:

US\$ — United States dollars

Schedule of Major Properties

(1) PROPERTIES HELD FOR INVESTMENT AS AT 31ST MARCH, 2014

Description	Use	Approximate gross floor area <i>(square metres)</i>	Status	Approximate percentage of Group's interest
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Hong Kong

Lippo Centre 89 Queensway Central Inland Lot No. 8615*	Commercial	Office: 3,458# Retail: 1,935 (net floor area)	Rental	71.2
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* The above property comprises various shop units on the podium floors and certain office floors.

An agreement was entered into in February 2014 for the disposal of an office floor in Lippo Centre and such disposal was completed in April 2014.

The above property is held under long term lease.

People's Republic of China

Lippo CTS Plaza 4 Shuiwan Road Gongbei, Zhuhai Guangdong	Commercial Multi-use/Hotel	28,698 58,044	Rental To be developed	71.2
19th Floor to 29th Floor and 13 car parking spaces of Lippo Tianma Plaza 1 Wuyibei Road Fuzhou, Fujian	Commercial	11,955	Rental	71.2
5 floors of Unit 1 Building 1 Lippo Tower 62 North Kehua Road Wuhou District Chengdu	Commercial	5,421	Rental	56.1

The above properties are held under medium term leases.

Schedule of Major Properties *(continued)*

(1) PROPERTIES HELD FOR INVESTMENT AS AT 31ST MARCH, 2014 *(continued)*

Description	Use	Approximate gross floor area <i>(square metres)</i>	Status	Approximate percentage of Group's interest
People's Republic of China <i>(continued)</i>				
2nd to 6th Floors The Macau Chinese Bank Building Avenida da Praia Grande No. 101 Macau	Commercial	2,590	Rental	56.1
<i>The above property is held as propriedade privada.</i>				
Overseas				
10 Harav Agan Street Jerusalem Block 30050 Parcel 101 Israel	Commercial	940	Rental	71.2
31st Floor Rufino Pacific Tower Ayala Avenue Corner Herrera Street, Makati Metropolitan Manila Republic of the Philippines	Commercial	885	Rental	56.1
522 S. Sepulveda Boulevard Los Angeles, CA 90049 United States of America	Commercial	925	Rental	56.1
Apartment No. 2 Blumenthalstrasse 22 69120 Heidelberg Germany	Residential	153 <i>(net floor area)</i>	Rental	56.1

The above properties are freehold.

Schedule of Major Properties *(continued)*

(2) PROPERTIES HELD FOR SALE AS AT 31ST MARCH, 2014

Description	Use	Approximate site area	Approximate gross floor area	Approximate percentage of Group's interest
		<i>(square metres)</i>	<i>(square metres)</i>	
People's Republic of China				
Certain units and car parking spaces at No. 8 Ronghua Middle Road Yizhuang Beijing Economic-Technological Development Area (北京經濟技術開發區) Beijing	Commercial/ Residential	N/A	20,627	44.9
Overseas				
Unit #03-03 The Residences Katana 20 Jalan Madge 55000 Kuala Lumpur Malaysia	Residential	N/A	360	71.2
2 units at Rosehill 8-16 Virginia Street New South Wales Australia	Residential	N/A	346	71.2
854 West Adams Boulevard Los Angeles CA 90007 United States of America	Residential	1,142	723	56.1

Schedule of Major Properties *(continued)*

(3) PROPERTIES HELD FOR DEVELOPMENT AS AT 31ST MARCH, 2014

Description	Use	Approximate site area <i>(square metres)</i>	Approximate gross floor area <i>(square metres)</i>	Approximate percentage of Group's interest	Estimated completion date	Stage of development as at 31st March, 2014
People's Republic of China						
Meizhou Island Putian Fujian	Tourism/ Commercial	1,207,700	26,848	100	N/A	Phase I substantially completed
South of Heping Road and west of Xiangyu Avenue Qinghe District Huai An Jiangsu Land Lot No. 3208020060010004000	Multi-use	41,087	250,000	71.2	2016/2017	In planning stage
East of Taizhou Avenue and north of Yaocheng Avenue China Medical City (中國醫藥城) Taizhou Jiangsu Land Lot No. 321204102205GB00069	Residential	80,615	220,000	71.2	2016/2017	In planning stage
Tati City Shanting Township Putian, Fujian	Multi-use	1,292,400	150,963	71.2	N/A	Phase I completed
83 Estrada de Cacilhas Macau	Residential	3,398	26,025 (total saleable area)	56.1	2014/2015	Interior fitting-out works in progress
Overseas						
3 pieces of land at Minakami Heights Golf Residence Gumma Japan	Residential	12,484	N/A	56.1	N/A	Vacant land

Schedule of Major Properties *(continued)*

(4) PROPERTIES HELD AS FIXED ASSETS AS AT 31ST MARCH, 2014

Description	Use	Approximate gross floor area <i>(square metres)</i>	Approximate percentage of Group's interest
Hong Kong			
Certain office floors of Tower One Lippo Centre 89 Queensway Central Inland Lot No. 8615	Commercial	1,760	71.2
2nd Floor of Sun Court 3 Belcher's Street Kennedy Town Subsection 1 of Section C of Marine Lot No. 262, the remaining portion of Section C of Marine Lot No. 262 and the remaining portion of Marine Lot No. 262	Commercial	743	71.2
3 units and 3 car parking spaces of Celestial Garden 5 Repulse Bay Road Rural Building Lot No. 979	Residential	660	71.2

The above properties are held under long term leases.

People's Republic of China

Basement, Ground Floor and 1st Floor The Macau Chinese Bank Building Avenida da Praia Grande No. 101 Macau	Commercial	1,558	56.1
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The above property is held as propriedade privada.

Schedule of Major Properties *(continued)*

(4) PROPERTIES HELD AS FIXED ASSETS AS AT 31ST MARCH, 2014 *(continued)*

Description	Use	Approximate gross floor area <i>(square metres)</i>	Approximate percentage of Group's interest
People's Republic of China <i>(continued)</i>			
SanShui Jingkou Oversea Economic Zone (cattle farm) Dong He Liang Wu Village (Zi Gang) Sanshui Foshan Guangdong	Commercial	233,333	28.1
<i>The above property is held under long term lease.</i>			
Overseas			
2 Senoko Avenue Singapore 758298 Lot No. MK13-2293K	Commercial	7,387	28.1
2 Enterprise Road Singapore 629814 Lot No. 354 Mukim 6	Commercial	14,085	28.1
202 Pandan Loop Singapore 128390 Lot No. MK5-6304L	Commercial	2,602	28.1

The above properties are held under long term leases.

Summary of Financial Information

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out below. As a result of the adoption of HKFRS 10 *Consolidated Financial Statements* as described in Note 2 to the financial statements, figures for the fifteen-month ended 31st March, 2013 have been restated to comply with the new requirement. Figures for the years ended 31st December, 2009, 2010 and 2011 have not been restated as it would involve delay and expenses out of proportion to the benefits of the shareholders.

	Year ended 31st March, 2014 HK\$'000	Fifteen-month ended 31st March, 2013 HK\$'000 (Restated)	Year ended 31st December, 2011 HK\$'000	Year ended 31st December, 2010 HK\$'000	Year ended 31st December, 2009 HK\$'000
Profit/(Loss) attributable to equity holders of the Company	112,173	(10,002)	698,327	1,932,124	4,632
Total assets	19,939,519	24,331,669	19,413,227	17,088,845	12,190,370
Total liabilities	(4,457,266)	(8,476,618)	(4,986,843)	(3,814,997)	(3,818,050)
Net assets	15,482,253	15,855,051	14,426,384	13,273,848	8,372,320
Non-controlling interests	(6,851,092)	(7,006,489)	(5,928,198)	(5,491,460)	(3,461,023)
Equity attributable to equity holders of the Company	8,631,161	8,848,562	8,498,186	7,782,388	4,911,297



Lippo Limited

力寶有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 226)