Lippo China Resources Limited
力寶華潤有限公司

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

2013/2014
ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

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

Non-executive Director
Mr. Leon Nim Leung Chan

Independent non-executive Directors
Mr. Edwin Neo
Mr. King Fai Tsui
Mr. Victor Ha Kuk Yung

COMMITTEES

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

Remuneration Committee
Mr. King Fai Tsui *(Chairman)*
Mr. Leon Nim Leung Chan
Mr. Victor Ha Kuk Yung
Mr. Edwin Neo
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
Ms. Millie Yuen Fun Luk

AUDITORS
Ernst & Young

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

SOLICITORS
Howse Williams Bowers

REGISTRAR
Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE
Room 2301, 23rd Floor
Tower One
Lippo Centre
89 Queensway
Hong Kong

NEW REGISTERED OFFICE
(with effect from 1st August, 2014)
Rooms 2302 and 2303, 23rd Floor
Tower One
Lippo Centre
89 Queensway
Hong Kong

STOCK CODE
156

WEBSITE
www.lcr.com.hk

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$124.4 million, as compared with a consolidated profit of approximately HK$293.4 million for the fifteen months ended 31st March, 2013 (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, the Company entered into an agreement for the disposal of the entire issued share capital of Tecwell Limited (the "Disposal") which, through its wholly-owned subsidiary, owns the properties at Lippo Plaza in Shanghai with a total gross floor area of approximately 58,522 square metres to a subsidiary of OUE Commercial Real Estate Investment Trust. 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 the Company's shareholders, on 4th November, 2013, the board of directors of the Company (the "Board") declared a conditional special dividend of HK3.5 cents per share (the "Special Dividend"), amounting to a total of approximately HK$321.5 million. The Special Dividend became unconditional upon the completion of the Disposal and was paid on 5th March, 2014.

In February 2014, the 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.

The 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.

BUSINESS REVIEW *(continued)*

Auric, a listed company in Singapore in which the 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 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, the Company has engaged an external financial adviser (the "Financial Adviser") to conduct a strategic review of the structure, assets and operations of the Group (the "Strategic Review"). The Financial Adviser conducted the Strategic Review by evaluating various alternatives and recommended a corporate sale of a controlling interest in the Company as a monetisation strategy to maximise realisable value and potential returns for all the shareholders while potentially capturing a premium. The Financial Adviser also considered a sale of individual assets as being potentially appropriate for maximising shareholder value in certain circumstances. Having considered the review and the recommendations of the Financial Adviser, the Board has decided to explore simultaneously a corporate sale of the Company through the sale of a controlling interest in the Company and a sale of certain individual assets to maximise the value to the Company's shareholders, and to this end, is expecting to explore such sales to potential purchasers of shares and/or assets of the Group. The Board has appointed professional advisers to assist it in this matter which may involve a reorganisation of the Group and its assets and businesses under which certain assets/businesses may be transferred to its shareholders or otherwise disposed of either to Lippo Limited, its controlling shareholder, and/or third parties.

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$124 million for the Current Year (the Last Period — HK$293 million), benefited from the disposal of subsidiaries and available-for-sale financial assets. The decrease in profit was mainly due to less fair value gain on investment properties for 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$2,771 million (the Last Period — HK$3,404 million, restated). Property investment and food businesses were the principal sources of revenue of the Group, representing 97 per cent. (the Last Period — 97 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$195 million (the Last Period — HK$280 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, the Group completed the disposal of a subsidiary, which owned interest in Lippo Plaza in Shanghai, to OUE Commercial Real Estate Investment Trust (a listed real estate investment trust in Singapore which is under a principal joint venture of Lippo Limited, an intermediate holding company of the Company) for a final cash consideration of approximately HK$833.7 million (the "Disposal") and recognised a gain on disposal of subsidiaries of HK$217 million. As a result of the completion of the Disposal, the Group's investment properties decreased to approximately HK$2.2 billion as at 31st March, 2014 (31st March, 2013 — HK$4.6 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$64 million for the Current Year as compared with that of HK$534 million for the Last Period. As a result, the segment profit for the Current Year decreased to HK$429 million (the Last Period — HK$807 million).

Property development

The Group primarily focuses on property development projects in mainland China and participated in development projects in Huai An City (the "Huai An Project") and Taizhou City (the "Taizhou Project"), both in Jiangsu Province. Huai An Project will be developed into an integrated residential, commercial and retail complex, whereas Taizhou Project is a residential project comprising townhouses and residential apartments. Construction work planning for both projects had commenced during the Current Year.

RESULTS FOR THE YEAR *(continued)*

Property development *(continued)*

The segment loss of the Current Year amounted to HK$9 million (the Last Period — loss of HK$10 million, excluding gain on sale of a held-for-sale property in Singapore of HK$16 million) mainly came from the pre-operating costs incurred during the year.

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).

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$52 million during the Current Year (the Last Period — HK$15 million), 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.

RESULTS FOR THE YEAR *(continued)*

Treasury and securities investments *(continued)*

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$132 million (the Last Period — HK$90 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$106 million for the Current Year (the Last Period — HK$39 million, restated).

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$35 million (the Last Period — HK$100 million, including a loss on derecognition of associate of HK$61 million).

FINANCIAL POSITION

As at 31st March, 2014, property-related assets decreased to HK$3.0 billion (31st March, 2013 — HK$5.1 billion), representing 47 per cent. (31st March, 2013 — 55 per cent., restated) of the total assets, mainly due to the disposal of Lippo Plaza in Shanghai. As a result, the Group's total assets decreased to HK$6.5 billion (31st March, 2013 — HK$9.3 billion, restated). Total liabilities decreased to HK$1.6 billion (31st March, 2013 — HK$3.6 billion, restated), mainly due to the repayment of bank loans and the Disposal. The Group's financial position remained healthy.

As at 31st March, 2014, the bank and other borrowings of the Group decreased to HK$697 million (31st March, 2013 — HK$2,038 million, restated). The bank loans amounted to HK$693 million as at 31st March, 2014 (31st March, 2013 — HK$2,037 million, restated), which comprised secured bank loans of HK$652 million and unsecured bank loans of HK$41 million (31st March, 2013 — secured bank loans of HK$2,004 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 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 — 37 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 99.5 per cent. (31st March, 2013 — 6 per cent., restated) of the bank and other borrowings were repayable within one year. At the end of the reporting period, the gearing ratio (measured as total borrowings, net of non-controlling interests, to shareholders' funds) was 16.2 per cent. (31st March, 2013 — 42.4 per cent., restated).

FINANCIAL POSITION *(continued)*

The net asset value attributable to equity holders of the Group remained strong and amounted to HK$4.1 billion (31st March, 2013 — HK$4.8 billion). This was equivalent to HK45 cents per share (31st March, 2013 — HK52 cents per share).

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

As at 31st March, 2014, the Group had bankers' guarantees of approximately HK$40 million (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. 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).

As at 31st March, 2014, the total commitments amounted to HK$217 million (31st March, 2013 — HK$122 million, restated), mainly related to the property development projects of the Group. The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

STAFF AND REMUNERATION

The Group had 3,154 employees as at 31st March, 2014 (31st March, 2013 — 2,930 employees, restated). Staff costs (including directors' emoluments) charged to the statement of profit or loss during the Current Year amounted to HK$549 million (the Last Period — HK$645 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, food business, property management, mineral exploration, extraction and processing, securities investment, treasury investment and money lending.

The Group has maintained prudent and disciplined financial management to ensure its sustainability. To enhance shareholders' value, as announced previously, the Company had engaged an external financial adviser to conduct a strategic review of the structure, assets and operations of the Group.

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. With the increase in working capital after the Disposal, the Group will continue to cautiously manage its investment portfolio in view of the market conditions and its business needs with a view to maximising returns to the shareholders of the Company.

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 six members (the composition of the Board is shown on page 20), including two 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 21 and 22). A list containing the names of the Directors and their roles and functions can also be found on the Company's website (www.lcr.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 half 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 Company 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 Director present.

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:

	Attendance/Number of Meetings				
Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting*
Executive Directors					
Dr. Stephen Riady *(Chairman)*	7/7	N/A	2/3	2/3	2/2
Mr. John Luen Wai Lee *(Chief Executive Officer)*	6/7	N/A	N/A	N/A	2/2
Non-executive Director					
Mr. Leon Nim Leung Chan	7/7	3/3	3/3	3/3	2/2
Independent Non-executive Directors					
Mr. Victor Ha Kuk Yung *(Chairman of the Audit Committee)*	6/7	3/3	3/3	3/3	2/2
Mr. King Fai Tsui *(Chairman of the Remuneration Committee and Nomination Committee)*	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.lcr.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.lcr.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 the 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.lcr.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.lcr.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 21 and 22.

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 *(Chairman)*	(1), (2) and (3)
Mr. John Luen Wai Lee *(Chief Executive Officer)*	(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$5.5 million (For the fifteen months ended 31st March, 2013 — HK$8.6 million, restated) and approximately HK$1.3 million (For the fifteen months ended 31st March, 2013 — HK$2.9 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.lcr.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.lcr.com.hk).

To provide effective communication, the Company maintains a website at www.lcr.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 Tengis 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.

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 lcr.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 lcr.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.lcr.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.

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, food business, property management, mineral exploration, extraction and processing, securities investment, treasury investment and money lending.

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 145 to 156, pages 157, page 158 and page 159, 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 159.

An interim dividend of HK0.2 cent per share (For the six months ended 30th June, 2012 — HK0.3 cent per share) for the six months ended 30th September, 2013 was paid on 10th February, 2014. The special dividend of HK3.5 cents per share (For the fifteen months ended 31st March, 2013 — Nil) was paid on 5th March, 2014. The Directors have resolved to recommend the payment of a final dividend of HK0.75 cent per share (For the fifteen months ended 31st March, 2013 — HK0.75 cent per share) amounting to approximately HK$68.9 million for the Year (For the fifteen months ended 31st March, 2013 — approximately HK$68.9 million). Total dividends for the Year will be HK4.45 cents per share (For the fifteen months ended 31st March, 2013 — HK1.05 cent per share) amounting to approximately HK$408.8 million (For the fifteen months ended 31st March, 2013 — approximately HK$96.5 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 164.

GOODWILL

Details of movements in goodwill during the Year are set out in Note 14 to the financial statements.

FIXED ASSETS

Details of movements in the fixed assets during the Year are set out in Note 16 to the financial statements.

INVESTMENT PROPERTIES

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

BANK LOANS

Details of bank loans are summarised in Note 27 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in Note 30 to the financial statements.

SHARE OPTION SCHEMES

Details of the share option scheme of the Company and its subsidiary are set out in Note 31 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 32 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 44 to the financial statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in the financial statements on pages 145 to 156.

DONATIONS

Charitable and other donations made by the Group during the Year amounted to HK$6,547,000 (For the fifteen months ended 31st March, 2013 — HK$54,529,000, restated).

DIRECTORS

The Directors of the Company during the Year were:

Executive Directors

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

Non-executive Director

Mr. Leon Nim Leung Chan

Independent non-executive Directors

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

In accordance with Article 120 of the Company's Articles of Association (the "Articles"), Dr. Stephen Riady and Mr. 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.

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. John Luen Wai Lee has an employment agreement with the Company, which 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.

DIRECTORS *(continued)*

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, was appointed a Director of the Company in 1992 and is the Chairman of the board of directors of the Company. Dr. Riady is also an executive director and the Chairman of the board of directors of Lippo Limited ("Lippo") and Hongkong Chinese Limited ("HKC"), both are public listed companies in Hong Kong. Dr. Riady is a director of Lanius Limited, Lippo Capital Limited, First Tower Corporation ("First Tower") and Skyscraper Realty Limited ("Skyscraper"). He is a member of the Remuneration Committee and Nomination Committee of each of the Company, Lippo and HKC. Dr. Riady also holds directorship in certain subsidiaries of the Company, Lippo and HKC. He is also 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, was appointed a Director of the Company in 1992 and is the Chief Executive Officer of the Company. Mr. Lee is the Managing Director and Chief Executive Officer of Lippo. He is an executive director and the Chief Executive Officer of HKC. He is also a director of First Tower and Skyscraper. Mr. Lee is an authorised representative of the Company, Lippo and HKC. In addition, Mr. Lee holds directorship in certain subsidiaries of the Company, Lippo and HKC. 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.

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 Lippo and HKC. Mr. Chan is a member of the Audit Committee, Remuneration Committee and Nomination Committee of each of the Company, Lippo 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.

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

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 Lippo and Auric. Mr. Neo is a member of the Remuneration Committee, Nomination Committee and Audit Committee of each of the Company and Lippo.

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 Lippo 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 Lippo. He is also the Chairman of the Remuneration Committee and Nomination Committee of each of the Company, Lippo and HKC.

Mr. Victor Ha Kuk Yung, aged 60, was appointed an independent non-executive Director of the Company in September 2004. Mr. Yung 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 Lippo and HKC. Mr. Yung is the Chairman of the Audit Committee of each of the Company and Lippo 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, Lippo 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.

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 agreement (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 discretionary bonus and fringe benefits of Mr. John Luen Wai Lee in the total amount of approximately HK$2,191,000; and

(c) 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. With effect from 1st April, 2013, the fees payable to the non-executive Directors for serving as 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	–	–	6,544,696,389 *Notes (i) and (ii)*	6,544,696,389	71.24
Number of ordinary shares in Lippo Limited ("Lippo")					
Stephen Riady	–	–	319,322,219 *Note (i)*	319,322,219	64.75
John Luen Wai Lee	1,031,250	–	–	1,031,250	0.21
Number of ordinary shares of HK$1.00 each in Hongkong Chinese Limited ("HKC")					
Stephen Riady	–	–	1,121,517,842 *Notes (i) and (iii)*	1,121,517,842	56.12
John Luen Wai Lee	2,000,270	270	–	2,000,540	0.10
King Fai Tsui	600,000	75,000	–	675,000	0.03

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, Lippo. Lanius Limited ("Lanius"), an associated corporation (within the meaning of Part XV of the SFO) of the Company, is the holder of 705,690,001 ordinary shares of HK$1.00 each in, representing the entire issued 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, Lippo was indirectly interested in 6,544,696,389 ordinary shares in, representing approximately 71.24 per cent. of the issued shares of, the Company.

(iii) As at 31st March, 2014, Lippo was indirectly interested in 1,121,517,842 ordinary shares of HK$1.00 each in, representing approximately 56.12 per cent. of the issued 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
First Tower Corporation	Ordinary shares	1	100
Grand Peak Investment Limited	Ordinary shares	2	100
Great Honor Investments Limited	Ordinary shares	1	100
Greenorth Holdings Limited	Ordinary shares	1	100
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
Skyscraper Realty Limited	Ordinary shares	10	100
The HCB General Investment (Singapore) Pte Ltd.	Ordinary shares	100,000	100
Times Grand Limited	Ordinary shares	1	100
Valencia Development Limited	Ordinary shares	800,000	100
	Non-voting deferred shares	200,000	100
Winroot Holdings Limited	Ordinary shares	1	100

As at 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 Limited ("Lippo")	6,544,696,389	71.24
Lippo Capital Limited ("Lippo Capital")	6,544,696,389	71.24
Lanius Limited ("Lanius")	6,544,696,389	71.24
Dr. Mochtar Riady	6,544,696,389	71.24
Madam Lidya Suryawaty	6,544,696,389	71.24

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

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's interests in the ordinary shares of the Company were recorded as the interests of Lippo Capital, Lanius, Dr. Mochtar Riady and Madam Lidya Suryawaty. The above 6,544,696,389 ordinary shares in the Company related to the same block of shares that 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.

Other than the independent non-executive Directors, Dr. Stephen Riady and Messrs. John Luen Wai Lee and Leon Nim Leung Chan are also directors of Lippo Limited ("Lippo"), an intermediate holding company of the Company, and Hongkong Chinese Limited ("HKC"), a fellow subsidiary of the Company. Further details of the Directors' interests in Lippo and HKC 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". Subsidiaries of Lippo and HKC are also engaged in property investment and property development.

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 AND CONNECTED TRANSACTION

Continuing connected transactions and connected transaction 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:

Continuing Connected Transactions

(A) On 7th September, 2012, a tenancy agreement was entered into between Porbandar Limited ("Porbandar"), a wholly-owned subsidiary of the Company, and Hongkong Chinese Limited ("HKC"), a fellow subsidiary of the Company, pursuant to which HKC agreed to lease from Porbandar Room 4301, 43rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong ("Lippo Centre"), with a gross floor area of approximately 4,686 square feet, for a term of two years from 16th September, 2012 to 15th September, 2014, both days inclusive, at a monthly rental of HK$223,050 (equivalent to HK$2,676,600 per annum), exclusive of rates, service charges and all other outgoings or HK$248,405 (equivalent to HK$2,980,860 per annum), inclusive of monthly service charge of HK$25,355, for office use. The service charge of HK$25,355 per calendar month (subject to adjustment) payable by HKC to Porbandar shall be applied by Porbandar in payment of applicable service charges of the manager of the building relating to the above property provided that such service charge may not exceed HK$35,000 per calendar month unless agreed by both parties in writing (the "HKC Maximum Service Charge"). The maximum aggregate rental, inclusive of the HKC Maximum Service Charge, was HK$3,096,600 for the Year. The rental was determined by reference to the then prevailing open market rentals. Further details of the above tenancy are disclosed in Note 40(a) to the financial statements.

(B) On 20th December, 2012, a tenancy agreement was entered into between Superform Investment Limited ("Superform"), a wholly-owned subsidiary of the Company, and Lippo Limited ("Lippo"), an intermediate holding company of the Company, pursuant to which Lippo agreed to lease from Superform a portion of 24th Floor, Tower One, Lippo Centre, with a gross floor area of approximately 11,028 square feet, for a term of two years from 1st January, 2013 to 31st December, 2014, both days inclusive, at a monthly rental of HK$498,000 (equivalent to HK$5,976,000 per annum), exclusive of rates, service charges and all other outgoings or HK$551,390 (equivalent to HK$6,616,680 per annum), inclusive of monthly service charge of HK$53,390, for office use. The service charge of HK$53,390 per calendar month (subject to adjustment) payable by Lippo to Superform shall be applied by Superform in payment of applicable service charges of the manager of the building relating to the above property provided that such service charge may not exceed HK$70,000 per calendar month unless agreed by both parties in writing (the "Lippo Maximum Service Charge"). The maximum aggregate rental, inclusive of the Lippo Maximum Service Charge, was HK$6,816,000 for the Year. The rental was determined by reference to the then prevailing open market rentals. Further details of the above tenancy are disclosed in Note 40(b) to the financial statements.

(C) 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. 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:

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTION *(continued)*

Continuing Connected Transactions *(continued)*

(C) *(continued)*

(i) (a) A tenancy agreement dated 1st April, 2013 entered into between West Tower Holding Limited ("West Tower"), a wholly-owned subsidiary of the Company, 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 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").

(b) 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.

(ii) (a) 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").

(b) 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.

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTION *(continued)*

Continuing Connected Transactions *(continued)*

(C) *(continued)*

(iii) 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 the Company, 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 ("Lippo Plaza") 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 was 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 was equivalent to the annual rental, for the Year was RMB3,000,000 (equivalent to approximately HK$4,000,000).

(D) Lippo Select HK & Mainland Property ETF力寶專選中港地產ETF (stock code: 2824, an exchanged traded fund) (the "Property ETF"), a sub-fund of the Lippo Fund Series and a subsidiary of the Company, receives management services from Lippo Investments Management Limited (the "Manager"), being the manager of Lippo Fund Series and a wholly-owned subsidiary of Lippo, and pays management fee to the Manager under the trust deed dated 11th June, 2012 entered into between Cititrust Limited as trustee and the Manager, as amended and/or supplemented from time to time (the "Trust Deed"). Pursuant to the Trust Deed and the prospectus dated 10th September, 2012 issued by the Manager in relation to the Property ETF, as amended, supplemented and updated from time to time, the Property ETF pays a management fee, currently charged at a rate of 0.68 per cent. per annum of the net asset value of the Property ETF (the "NAV"), out of its fund assets, to the Manager for its own account. The management fee is accrued daily and paid as soon as practicable after the last dealing day in each month in each year. The Manager is entitled to receive a management fee of up to 2 per cent. per annum of the NAV. The management fee is a single flat fee paid to the Manager to cover the fees, costs and expenses of the Property ETF. The management fee is paid out of the Property ETF.

The Manager is responsible for devising the index methodology for the Lippo Select HK & Mainland Property Index (the "Underlying Index"), semi-annual review and selection of the fundamental factors based on aggregate fundamental factor values supplied independently by the Hang Seng Indexes Company Limited, being the index provider who is responsible for compiling, maintaining and publishing the Underlying Index. Whilst the Manager does not have any equity interest in the Lippo Fund Series or any of its sub-funds (including the Property ETF), it has general management power in respect of the Lippo Series Fund (including the Property ETF). There is no fixed term of appointment of the Manager under the Trust Deed. The Manager will remain as the Manager of the Property ETF until it is being removed by the trustee or the Manager retires by written notice to the trustee. An independent financial adviser (the "IFA") was appointed by the Company to advise the Company on the duration of the provision of management services under the Trust Deed under Rule 14A.35(1) of the Listing Rules as well as to explain why a period longer than three years is required and to confirm whether this is normal business practice. The IFA was of the opinion that (i) the appointment of the Manager under the Trust Deed for a duration longer than three years is required in order to ensure continued management services provided by the Manager to the Property ETF; and (ii) it is a normal business practice among exchange traded funds in Hong Kong of the nature similar with that of the Property ETF to appoint manager with no fixed term of appointment, the respective manager shall therefore be appointed to provide management services for the whole term of the relevant trust deed unless it is being removed by the trustee and/or the unitholders of the trust or it retires.

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTION *(continued)*

Continuing Connected Transactions *(continued)*

(D) *(continued)*

Previously, the provision of management services by the Manager to the Property ETF and the payment of the management fee by the Property ETF to the Manager under the Trust Deed had constituted a de minimis transaction on normal commercial terms. In view of the management's expectations on the performance of the Property ETF with reference to its past performance, estimated growth in size of the NAV and the expected appreciation in the NAV, the aggregate annual management fee payable by the Property ETF to the Manager was expected to exceed HK$1,000,000. The Company estimated that the annual cap of the management fee for the Year to be HK$2,000,000. Further details of the above management fee are disclosed in Note 40(k) to the financial statements.

The Directors consider the terms of the Trust Deed have been negotiated and arrived at on arms length basis and in the ordinary and usual course of business of the Company and on normal commercial terms in line with, and with reference to, the industry practice for establishment of collective investment schemes. The Directors consider the terms under the Trust Deed in respect of the provision of the management services by the Manager to the Property ETF and the payment of management fee by the Property ETF to the Manager are fair and reasonable and in the interests of the shareholders as a whole.

(E) A service agreement dated 30th August, 2013 was entered into between Lippo Securities Holdings Limited ("Lippo Securities"), a wholly-owned subsidiary of HKC, and the Company for itself and its subsidiaries, pursuant to which Lippo Securities agreed to provide securities and futures broking and trading services, corporate finance, securities investment, treasury investment and other incidental financial services (the "Services") to the Company and its subsidiaries in making securities and futures investments through their respective trading accounts opened and/or maintained with Lippo Securities Limited ("LSL") and Lippo Futures Limited ("Lippo Futures"), both of which are wholly-owned subsidiaries of Lippo Securities. The term of above service agreement commenced from 1st April, 2013 to 31st March, 2016 with trading commissions, brokerage service fees, collection fees and/or other incidental fees (the "Fees") paid and payable to Lippo Securities and its subsidiaries, including, inter alia, LSL and/or Lippo Futures ("Lippo Securities Group") in respect of the Services provided by LSL and/or Lippo Futures (as the case may be), based on the fees received from relevant market customers of comparable standing and in the ordinary course of business of Lippo Securities Group. The rate of commissions and/or brokerage service fees payable to Lippo Securities Group for each securities or futures transaction (as the case may be) is charged based on the size of each trade, whilst that for each futures transaction is fixed at a specified rate, both on terms no more favourable to the relevant connected persons than those offered to or available from independent third parties. Such rates of Fees are charged at market rates comparable to that of other securities service providers in Hong Kong.

The Company anticipated that the aggregate Fees received by Lippo Securities Group under the above service agreement for the Year to be not more than HK$4,000,000. Further details of the above Fees are disclosed in Note 40(c) to the financial statements.

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTION *(continued)*

Continuing Connected Transactions *(continued)*

(F) Following the completion of the disposal of the entire issued share capital of Tecwell Limited ("Tecwell") on 27th January, 2014 (the "Tecwell Completion Date"), details of which are disclosed in paragraph (J) below, Tecwell and its subsidiary, namely LRSL, became indirect wholly-owned subsidiary of OUE Commercial Real Estate Investment Trust ("OUE C-REIT", formerly known as OUE Commercial Trust). As at the Tecwell Completion Date, OUE Limited ("OUE", a subsidiary of a joint venture of HKC) was interested in 50 per cent. of the issued units of OUE C-REIT. Accordingly, LRSL was deemed to be a connected person of the Company and the following tenancy agreement constituted continuing connected transaction for the Company:

A tenancy agreement dated 22nd March, 2013 entered into between LRSL and 上海德利法蘭新食品有限公司 (Shanghai Delifrance Foodstuff Co., Ltd.) ("Delifrance Shanghai"), a wholly-owned subsidiary of Auric, pursuant to which Delifrance Shanghai agreed to lease from LRSL Shop 303A, Third Floor, Lippo Plaza for a term of three years from 18th March, 2013 to 17th March, 2016, both days inclusive, at a monthly rental of RMB66,065 or a turnover rent of 12 per cent. calculated by reference to the turnover generated at the above premises, whichever is higher, for use as "Delifrance" shop. The annual cap for the above tenancy agreement based on the annual rental from the Tecwell Completion Date to 31st March, 2014 was HK$210,000 (approximately RMB155,000). Further details of the above tenancy are disclosed in Note 40(j) to the financial statements.

(G) A lease agreement dated 10th October, 2013 (the "Clifford Lease Agreement") was entered into between Clifford Development Pte. Ltd. ("Clifford"), a wholly-owned subsidiary of OUE, and Auric pursuant to which Auric agreed to lease from Clifford Unit #06-03, 50 Collyer Quay, Singapore (the "Premises"), with a floor area of approximately 4,187 square feet, for a term of three years from 15th July, 2013 to 14th July, 2016, both days inclusive, with option to renew for a term of two years, at a monthly rental of S$40,613.90 plus the Goods and Services Tax (the "GST") thereon at the prevailing GST rate in Singapore for the period from 15th July, 2013 to 31st December, 2013 and a monthly rental of S$46,057 plus the GST thereon for the period from 1st January, 2014 to 14th July, 2016, for office use. The service charge to be paid by Auric under the Clifford Lease Agreement shall be S$5,443.10 per month plus GST thereon. The Company anticipated that the maximum aggregate annual rental and service charges to be paid by Auric under the Clifford Lease Agreement for the Year to be HK$3,000,000 (approximately S$469,000).

Following the completion of the acquisition of the OUE Bayfront property (including, inter alia, the Premises) by OUE C-REIT from Clifford on 27th January, 2014 (the "Bayfront Completion Date"), all existing tenancies entered into by Clifford were assigned to DBS Trustee Limited, the trustee of OUE C-REIT (the "Trustee"). On the Bayfront Completion Date, the Clifford Lease Agreement was novated to the Trustee and the Trustee became the new landlord of the Clifford Lease Agreement. The annual cap for the Clifford Lease Agreement based on the maximum annual rental and service charge from the Bayfront Completion Date to 31st March, 2014 was HK$750,000 (approximately S$116,000).

Further details of the above lease are disclosed in Note 40(f) to the financial statements.

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTION *(continued)*

Continuing Connected Transactions *(continued)*

(H) (i) A restaurant management agreement dated 10th October, 2013 was entered into between Zutis Pte. Ltd. ("Zutis"), a wholly-owned subsidiary of Food Junction, and OUE Restaurants Pte. Ltd. ("OUE Restaurants"), a wholly-owned subsidiary of OUE, pursuant to which Zutis was appointed as the manager to manage the business and operations of a high-end restaurant of OUE Restaurants at 50 Collyer Quay, #18-03 OUE Bayfront, Singapore 049321 serving French, Japanese and Chinese cuisine (the "Restaurant"). The term of the restaurant management agreement was three years from 1st April, 2013 to 31st March, 2016.

(ii) A French restaurant operator agreement dated 10th October, 2013 was entered into between LP+Tetsu Pte. Ltd. ("LP+Tetsu"), a wholly-owned subsidiary of Food Junction, and OUE Restaurants, pursuant to which LP+Tetsu was appointed as the operator to operate the French cuisine segment in the Restaurant. The term of the French restaurant operator agreement was three years from 1st April, 2013 to 31st March, 2016.

(iii) A Japanese restaurant operator agreement dated 10th October, 2013 was entered into between LP+Tetsu and OUE Restaurants, pursuant to which LP+Tetsu was appointed as the operator to operate the Japanese cuisine segment in the Restaurant. The term of the Japanese restaurant operator agreement was three years from 1st April, 2013 to 31st March, 2016.

The service fees charged to OUE Restaurants under the above restaurant management agreement, French restaurant operator agreement and Japanese restaurant operator agreement (together, the "Restaurant Agreements") were at market rates comparable to that of other service providers in Singapore.

The Company anticipated that the maximum aggregate fees received by Food Junction and its subsidiaries under the Restaurant Agreements for the Year to be HK$19,200,000 (approximately S$3,000,000). Further details of the above fees are disclosed in Note 40(d) to the financial statements.

On 21st May, 2014, Zutis, LP+Tetsu and OUE Restaurants had mutually agreed to terminate the Restaurant Agreements respectively. None of Zutis, LP+Tetsu or OUE Restaurants has to pay the other party any penalty and/or compensation as a result of the above termination.

(I) A supply agreement dated 31st October, 2013 was entered into between Auric Pacific Marketing Pte. Ltd. ("APM"), a wholly-owned subsidiary of Auric, and OUE, in respect of the sale and supply of food and beverage products by APM to OUE. The term of the supply agreement shall be three years from 31st October, 2013 to 30th October, 2016. The prices of the food and beverage products sold by APM shall be at such prices and terms of sales as set out in the price book of APM, exclusive of GST. Payment of the price and other amount payable by OUE to APM shall be effected within 30 days from the date of such invoice issued by APM, the payment term of which is no less favourable than those given to other customers of APM who are independent third parties.

Based on the estimates on the sales volume, the prevailing and anticipated unit price of the food and beverage products to be transacted and the expected appreciation of Singapore Dollars in the relevant period in respect of the revenues to be receivable under the above supply agreement, the Company estimated that the maximum aggregate revenues receivable by APM under the above supply agreement for the Year to be HK$6,400,000 (approximately S$1,000,000). Further details of the above supply of food and beverage products are disclosed in Note 40(g) to the financial statements.

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTION *(continued)*

Continuing Connected Transactions *(continued)*

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.

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.

Connected Transaction

(J) On 16th October, 2013, the Company and OUE Eastern Limited ("OUE Eastern"), a wholly-owned subsidiary of OUE C-REIT, entered into an agreement, pursuant to which the Company conditionally agreed to procure the sale of, and OUE Eastern conditionally agreed to purchase 100 ordinary shares of US$1.00 each, representing the entire issued share capital of Tecwell Limited ("Tecwell") for a consideration of approximately HK$843.5 million (subject to adjustment).

    Before the completion, Tecwell was an indirect wholly-owned subsidiary of the Company. LRSL, being the owner of properties at Lippo Plaza with a total gross floor area of approximately 58,521.54 square metres (the "Property"), is a wholly-owned subsidiary of Tecwell. OUE was the sponsor of OUE C-REIT and formerly held the only unit in OUE C-REIT.

    The above agreement was completed on 27th January, 2014 at a final cash consideration of HK$833.7 million. The above disposal enabled the Group to unlock the value of the Property. Further details of the above disposal are disclosed in Note 40(i) to the financial statements.

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

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

Save as disclosed above and in Note 40 to the financial statements, there were no other 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

During the Year, the percentage of purchases attributable to the Group's five largest suppliers combined and that of sales attributable to the Group's five largest customers combined were less than 30 per cent. of the Group's aggregate purchases and sales, respectively.

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 10 to 18.

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.

CHANGE OF BOARD LOT SIZE

In order to save transaction and registration costs incurred by the shareholders of the Company, the board lot size for trading in the shares of the Company was changed from 2,000 shares to 10,000 shares with effect from 10th January, 2014.

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
Chief Executive Officer

Hong Kong, 27th June, 2014

Independent Auditors' Report

EY 安永

To the shareholders of Lippo China Resources Limited
(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Lippo China Resources Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 38 to 159, 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	**2,771,409**	3,403,735
Cost of sales		**(1,448,635)**	(1,806,293)
Gross profit		**1,322,774**	1,597,442
Administrative expenses		**(885,668)**	(1,006,187)
Other operating expenses		**(436,381)**	(543,289)
Net fair value gains on investment properties		**64,264**	534,077
Gain on disposal of subsidiaries	35	**216,695**	69,491
Gain on disposal of available-for-sale financial assets		**131,599**	21,179
Gain on disposal of investment properties		**–**	68,282
Loss on derecognition of an associate		**–**	(61,365)
Net fair value loss on financial instruments at fair value through profit or loss		**(66,378)**	(64,108)
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		**(27,811)**	(36,771)
Available-for-sale financial assets		**(14,290)**	(44,603)
Write-down of exploration and evaluation assets		**–**	(26,117)
Finance costs	9	**(108,437)**	(93,169)
Share of results of associates		**(3,259)**	470
Share of results of joint ventures		**4,868**	5,797
Profit before tax	6	**105,142**	360,537
Income tax	10	**(71,455)**	(76,288)
Profit for the year/period		**33,687**	284,249
Attributable to:			
Equity holders of the Company	11	**124,389**	293,364
Non-controlling interests		**(90,702)**	(9,115)
		33,687	284,249
		HK cents	HK cents
Earnings per share attributable to equity holders of the Company	12		
Basic		**1.35**	3.19
Diluted		**N/A**	3.19

Details of the dividends payable and proposed for the year/period are disclosed in Note 13 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 for the year/period		**33,687**	284,249
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		**(639)**	81,893
Adjustments for disposal		**(118,914)**	(16,525)
Adjustment relating to disposal of a subsidiary	35	**–**	(78,020)
		(119,553)	(12,652)
Exchange differences on translation of foreign operations		**15,798**	70,057
Adjustment relating to disposal of foreign subsidiaries	35	**(259,158)**	–
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 and other comprehensive income/(loss) for the year/period, net of tax		**(362,913)**	118,770
Total comprehensive income/(loss) for the year/period		**(329,226)**	403,019
Attributable to:			
Equity holders of the Company		**(213,693)**	366,767
Non-controlling interests		**(115,533)**	36,252
		(329,226)	403,019

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	14	**488,225**	575,813	601,951
Exploration and evaluation assets	15	**95,295**	97,345	127,440
Fixed assets	16	**324,636**	366,420	322,047
Investment properties	17	**2,248,541**	4,599,855	4,599,721
Interests in associates	18	**53,645**	85,419	12,213
Interests in joint ventures	19	**17,955**	17,261	18,716
Available-for-sale financial assets	20	**117,082**	288,713	447,479
Debtors, prepayments and deposits	21	**65,006**	51,310	41,112
Other financial assets	22	**–**	17,639	–
Deferred tax assets	29	**6,708**	6,106	4,363
		3,417,093	6,105,881	6,175,042
Current assets				
Properties held for sale		**12,503**	13,248	68,557
Properties under development	23	**552,919**	314,274	–
Deposits paid for properties under development		**–**	–	192,624
Inventories	24	**280,884**	212,980	218,995
Loans and advances		**–**	–	5,100
Debtors, prepayments and deposits	21	**494,302**	488,255	452,180
Financial assets at fair value through profit or loss	25	**224,414**	519,592	349,671
Other financial assets	22	**–**	7,275	18,625
Tax recoverable		**8,853**	5,437	12,222
Restricted cash	26	**23,809**	66,193	34,951
Cash and bank balances		**1,474,165**	1,611,315	952,261
		3,071,849	3,238,569	2,305,186
Current liabilities				
Bank and other borrowings	27	**693,910**	116,453	157,837
Creditors, accruals and deposits received	28	**564,664**	636,302	678,543
Other financial liabilities	22	**15,998**	35,713	–
Tax payable		**169,241**	69,080	163,623
		1,443,813	857,548	1,000,003
Net current assets		**1,628,036**	2,381,021	1,305,183
Total assets less current liabilities		**5,045,129**	8,486,902	7,480,225

	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	27	**3,237**	1,921,291	1,269,956
Creditors, accruals and deposits received	28	**29,068**	25,080	12,360
Other financial liabilities	22	**–**	131,359	97,508
Deferred tax liabilities	29	**114,484**	690,699	558,771
		146,789	2,768,429	1,938,595
Net assets		**4,898,340**	5,718,473	5,541,630
Equity				
Equity attributable to equity holders of the Company				
Issued capital	30	**1,705,907**	918,691	919,125
Reserves	32	**2,435,773**	3,835,629	3,680,290
		4,141,680	4,754,320	4,599,415
Non-controlling interests		**756,660**	964,153	942,215
		4,898,340	5,718,473	5,541,630

John Luen Wai Lee
Director

Stephen Riady
Director

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	16	**686**	1,126
Interests in subsidiaries	33	**2,696,480**	2,449,849
Interest in an associate	18	**1**	1
Available-for-sale financial assets	20	**7,298**	7,298
		2,704,465	2,458,274
Current assets			
Debtors, prepayments and deposits	21	**2,582**	4,588
Cash and bank balances		**930,925**	921,276
		933,507	925,864
Current liabilities			
Bank loans	27	**652,000**	72,000
Creditors, accruals and deposits received	28	**4,854**	31,491
Tax payable		**297**	297
		657,151	103,788
Net current assets		**276,356**	822,076
Total assets less current liabilities		**2,980,821**	3,280,350
Non-current liabilities			
Bank loans	27	**–**	832,000
Net assets		**2,980,821**	2,448,350
Equity			
Issued capital	30	**1,704,032**	918,691
Reserves	32	**1,276,789**	1,529,659
		2,980,821	2,448,350

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	Capital redemption reserve	Investment revaluation reserve	Other asset revaluation reserve	Exchange equalisation reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1st April, 2013											
As previously reported	**918,691**	**785,568**	**1,647**	**1,648**	**118,534**	**27,039**	**436,970**	**2,464,223**	**4,754,320**	**61,634**	**4,815,954**
Prior year adjustments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**902,519**	**902,519**
As restated	**918,691**	**785,568**	**1,647**	**1,648**	**118,534**	**27,039**	**436,970**	**2,464,223**	**4,754,320**	**964,153**	**5,718,473**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**124,389**	**124,389**	**(90,702)**	**33,687**
Other comprehensive income/(loss) for the year:											
Available-for-sale financial assets:											
Changes in fair value	**–**	**–**	**–**	**–**	**(639)**	**–**	**–**	**–**	**(639)**	**–**	**(639)**
Adjustments for disposal	**–**	**–**	**–**	**–**	**(118,914)**	**–**	**–**	**–**	**(118,914)**	**–**	**(118,914)**
Exchange differences on translation of foreign operations	**–**	**–**	**(129)**	**–**	**–**	**–**	**40,758**	**–**	**40,629**	**(24,831)**	**15,798**
Adjustments relating to disposal of foreign subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**(259,158)**	**–**	**(259,158)**	**–**	**(259,158)**
Total comprehensive income/(loss) for the year	**–**	**–**	**(129)**	**–**	**(119,553)**	**–**	**(218,400)**	**124,389**	**(213,693)**	**(115,533)**	**(329,226)**
Transfer to issued capital *(Note 30)*	**787,216**	**(785,568)**	**–**	**(1,648)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Change in non-controlling interests without change in control *(Note 36)*	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9,871**	**9,871**	**(80,151)**	**(70,280)**
2012/2013 final dividend declared and paid to shareholders of the Company	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(68,902)**	**(68,902)**	**–**	**(68,902)**
2013/2014 interim dividend declared and paid to shareholders of the Company	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(18,374)**	**(18,374)**	**–**	**(18,374)**
2013/2014 special dividend declared and paid to shareholders of the Company	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(321,542)**	**(321,542)**	**–**	**(321,542)**
Dividend declared and paid to non-controlling shareholders of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(11,809)**	**(11,809)**
At 31st March, 2014	**1,705,907**	**–**	**1,518**	**–**	**(1,019)**	**27,039**	**218,570**	**2,189,665**	**4,141,680**	**756,660**	**4,898,340**
At 1st January, 2012											
As previously reported	919,125	785,257	11,915	984	131,186	40,901	350,915	2,359,132	4,599,415	42,003	4,641,418
Prior year adjustments	–	–	–	–	–	–	–	–	–	900,212	900,212
As restated	919,125	785,257	11,915	984	131,186	40,901	350,915	2,359,132	4,599,415	942,215	5,541,630
Profit for the period	–	–	–	–	–	–	–	293,364	293,364	(9,115)	284,249
Other comprehensive income/(loss) for the period:											
Available-for-sale financial assets:											
Changes in fair value	–	–	–	–	81,893	–	–	–	81,893	–	81,893
Adjustments for disposal	–	–	–	–	(16,525)	–	–	–	(16,525)	–	(16,525)
Adjustment relating to disposal of a subsidiary	–	–	–	–	(78,020)	–	–	–	(78,020)	–	(78,020)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	24,690	–	24,690	45,367	70,057
Adjustment relating to derecognition of a foreign associate	–	–	–	–	–	–	61,365	–	61,365	–	61,365
Total comprehensive income/(loss) for the period	–	–	–	–	(12,652)	–	86,055	293,364	366,767	36,252	403,019
Repurchases of shares	(664)	–	–	664	–	–	–	(1,204)	(1,204)	–	(1,204)
Repurchase of shares by a subsidiary	–	–	–	–	–	–	–	138	138	(944)	(806)
Issuance of shares upon exercise of share options	230	311	(152)	–	–	–	–	–	389	–	389
Transfer of share option reserve upon expiry of share options	–	–	(10,310)	–	–	–	–	10,310	–	–	–
Equity-settled share option arrangement	–	–	194	–	–	–	–	–	194	195	389
Transfer of other asset revaluation reserve upon disposal of properties	–	–	–	–	–	(13,862)	–	13,862	–	–	–
2011 final and special final dividends declared and paid to shareholders of the Company	–	–	–	–	–	–	–	(183,825)	(183,825)	–	(183,825)
2012 interim dividend declared and paid to shareholders of the Company	–	–	–	–	–	–	–	(27,554)	(27,554)	–	(27,554)
Dividends declared and paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	(13,565)	(13,565)
At 31st March, 2013 (restated)	918,691	785,568	1,647	1,648	118,534	27,039	436,970	2,464,223	4,754,320	964,153	5,718,473

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 used in operations	34	**(243,705)**	(144,333)
Interest received		**28,097**	43,556
Dividends received from:			
A joint venture		**3,941**	3,656
Listed investments		**3,821**	1,833
Unlisted investments		**3,194**	–
Taxes paid:			
Hong Kong		**(7,674)**	(4,341)
Overseas		**(26,466)**	(39,823)
Net cash flows used in operating activities		**(238,792)**	(139,452)
Cash flows from investing activities			
Proceeds from disposals of:			
Fixed assets		**1,173**	3,395
Investment properties		**–**	617,816
Available-for-sale financial assets		**168,582**	54,473
Redeemable preference shares		**129,951**	–
Payments to acquire:			
Fixed assets		**(81,767)**	(128,580)
Exploration and evaluation assets		**(10,056)**	(22,353)
Available-for-sale financial assets		**–**	(95,760)
Additions to investment properties		**(70,239)**	–
Increase in interests in associates		**–**	(49,816)
Repayment from/(Advance to) associates		**662**	(17,094)
Decrease in interests in a joint venture		**–**	2,400
Disposal of subsidiaries, net of cash and cash equivalents disposed of	35	**751,591**	173,976
Net cash flows from investing activities		**889,897**	538,457

	Year ended 31st March, 2014 HK$'000	Period ended 31st March, 2013 HK$'000 (Restated)
Cash flows from financing activities		
Interest paid	**(81,495)**	(112,371)
Drawdown of bank loans	**274,179**	1,335,663
Repayment of bank loans	**(498,833)**	(708,721)
Repayment of financing for redeemable preference shares	**(12,124)**	(15,356)
Repayment of obligations under finance leases	**(358)**	(249)
Repurchases of shares	**–**	(1,204)
Issuance of shares upon exercise of share options	**–**	389
Purchase of treasury shares by a subsidiary	**–**	(806)
Acquisition of non-controlling interests	**(70,280)**	–
Dividends paid to shareholders of the Company	**(408,818)**	(211,379)
Dividends paid to non-controlling shareholders of subsidiaries	**(11,809)**	(13,565)
Decrease/(increase) in restricted cash	**25,570**	(29,645)
Net cash flows from/(used in) financing activities	**(783,968)**	242,756
Net increase/(decrease) in cash and cash equivalents	**(132,863)**	641,761
Cash and cash equivalents at beginning of year/period	**1,611,315**	952,261
Exchange realignments	**(4,287)**	17,293
Cash and cash equivalents at end of year/period	**1,474,165**	1,611,315
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	**1,474,165**	1,611,315

1. CORPORATE INFORMATION

Lippo China Resources 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 Room 2301, 23rd 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, food business, property management, mineral exploration, extraction and processing, securities investment, treasury investment and money lending.

The immediate holding company of the Company is Skyscraper Realty Limited which is incorporated in the British Virgin Islands. In the opinion of the Directors, 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.

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

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 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.

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

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.

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") and Asia Now Resources Corp. ("Asia Now").

Auric is a company listed on the Singapore Exchange Securities Trading Limited. The Group's interest in Auric, held through wholly-owned subsidiaries and 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 consolidated as if HKFRS 10 had always been effective.

Asia Now is a company listed on the TSX Venture Exchange of Canada. The Group 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 consolidated as if HKFRS 10 had always been effective.

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
Consolidated statement of profit or loss	
Increase in revenue	3,007,633
Increase in cost of sales	(1,717,423)
Increase in gross profit	1,290,210
Increase in administrative expenses	(878,237)
Increase in other operating expenses	(384,776)
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	(2,990)
Decrease in share of results of associates	(6,486)
Increase in share of results of joint ventures	5,620
Decrease in profit before tax	(90,481)
Decrease in income tax expense	73,155
Decrease in profit for the period	(17,326)
Decrease in profit for the period attributable to non-controlling interests	(17,326)
Consolidated statement of comprehensive income	
Decrease in profit for the period	(17,326)
Decrease in share of other comprehensive loss of associates	3,514
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 earnings per share attributable to equity holders of the Company for the period ended 31st March, 2013.

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

	31st March, 2013 HK$'000	1st January, 2012 HK$'000
Consolidated statement of financial position		
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	(773,896)	(750,819)
Increase in interests in joint ventures	12,362	9,933
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
	270,918	328,730
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	408,960	394,028
	1,292,036	1,313,452
Current liabilities		
Increase in bank and other borrowings	35,785	31,497
Increase in creditors, accruals and deposits received	448,298	458,326
Increase in tax payable	22,867	111,476
	506,950	601,299
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

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

	Period ended 31st March, 2013 HK$'000
Consolidated statement of cash flows	
Decrease in net cash flows used in operating activities	150,993
Decrease in net cash flows from investing activities	(125,543)
Decrease in net cash flows from financing activities	(26,005)
Net decrease in cash and cash equivalents	(555)
Increase in cash and cash equivalents at beginning of period	394,028
Increase in exchange realignments	15,487
Increase in cash and cash equivalents at end of period	408,960

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 33, 19 and 18, 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 17 and 42, 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	*Financial Instruments* [5]
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	*Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39* [5]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — *Investment Entities* [1]
HKFRS 11 Amendments	*Accounting for Acquisitions of Interests in Joint Operations* [3]
HKFRS 14	*Regulatory Deferral Accounts* [4]
HKAS 16 and HKAS 38 Amendments	*Clarification of Acceptable Methods of Depreciation and Amortisation* [3]
HKAS 19 Amendments	Amendments to HKAS 19 *Employee Benefits — Defined Benefit Plans: Employee Contributions* [2]
HKAS 32 Amendments	Amendments to HKAS 32 Financial Instruments: *Presentation — Offsetting Financial Assets and Financial Liabilities* [1]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting* [1]
HK(IFRIC)-Int 21	*Levies* [1]
Annual Improvements 2010–2012 and 2011–2013 Cycles	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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Fair value measurement *(continued)*

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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Impairment of non-financial assets *(continued)*

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.

(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).

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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.

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	10 per cent. to 20 per cent.
Furniture, fixtures, plant and equipment	10 per cent. to 100 per cent.
Motor vehicles	12 per cent. to $33^1/_3$ 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Investment properties *(continued)*

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.

(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	$33^1/_3$ 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Subsequent measurement (continued)

Available-for-sale financial assets (continued)

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.

(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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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).

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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 or 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.

(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 and derivative financial instruments.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) Financial liabilities *(continued)*

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.

Loans 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.

(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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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.

(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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(z) Income tax *(continued)*

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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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;

(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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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 a subsidiary 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").

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(ac) Employee benefits *(continued)*

Share-based payments (continued)

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 Edmontor 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. interest in Asia Now. 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 159.

(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 17 to the financial statements.

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

(b) Estimation uncertainty *(continued)*

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.

As disclosed in Note 14 to the financial statements, the recoverable amounts of the CGU, which goodwill, trademarks and trademark license 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 14 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$44,603,000, 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$117,082,000 (31st March, 2013 — HK$288,713,000, 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 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

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

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	Food businesses HK$'000	Other HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Revenue								
External	185,385	–	17,207	34,754	2,511,649	22,414	–	2,771,409
Inter-segment	9,831	–	–	–	–	–	(9,831)	–
Total	195,216	–	17,207	34,754	2,511,649	22,414	(9,831)	2,771,409
Segment results	429,326	(8,818)	17,207	88,772	(136,826)	(34,557)	–	355,104
	(Note (a))							
Unallocated corporate expenses								(145,551)
Finance costs								(106,020)
Share of results of associates	–	–	–	–	(31)	(3,228)	–	(3,259)
Share of results of joint ventures	–	3	–	–	4,865	–	–	4,868
Profit before tax								105,142
Segment assets	2,410,777	624,169	1,101,790	295,835	1,858,428	103,326	–	6,394,325
Interests in associates	–	–	–	–	1,708	51,937	–	53,645
Interests in joint ventures	–	4,836	–	–	13,119	–	–	17,955
Unallocated assets								23,017
Total assets								6,488,942
Segment liabilities	624,344	628,534	–	245,440	543,747	590,128	(2,005,692)	626,501
Unallocated liabilities								964,101
Total liabilities								1,590,602

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	Food businesses HK$'000	Other HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Other segment information:								
Capital expenditure *(Note (b))*	70,240	693	–	–	88,251	10,090	–	169,274
Depreciation	(1,391)	(731)	–	–	(90,052)	(663)	–	(92,837)
Amortisation of intangible assets	–	–	–	–	(17,267)	–	–	(17,267)
Interest income	–	–	17,207	–	3,627	2,883	–	23,717
Finance costs	–	–	–	–	(2,417)	–	–	(2,417)
Gain on disposal of:								
Subsidiaries	216,672	–	–	–	–	23	–	216,695
Available-for-sale financial assets	–	–	–	131,599	–	–	–	131,599
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	–	–	–	–	–	(27,811)	–	(27,811)
Available-for-sale financial assets	–	–	–	(14,000)	(290)	–	–	(14,290)
Inventories	–	–	–	–	(13,826)	–	–	(13,826)
Bad and doubtful debts	–	–	–	–	(5,254)	–	–	(5,254)
Write-down of fixed assets	–	–	–	–	(2,695)	–	–	(2,695)
Net fair value loss on financial instruments at fair value through profit or loss	–	–	–	(62,446)	(2,892)	–	–	(65,338)
Net fair value gains on investment properties	64,264	–	–	–	–	–	–	64,264
Unallocated:								
Capital expenditure *(Note (b))*								112
Depreciation								(2,128)
Finance costs								(106,020)
Net fair value loss on financial instruments at fair value through profit or loss								(1,040)

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	Food businesses HK$'000	Other HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Revenue								
External	270,493	77,713	6,395	8,940	3,016,857	23,337	–	3,403,735
Inter-segment	9,899	–	–	–	–	–	(9,899)	–
Total	280,392	77,713	6,395	8,940	3,016,857	23,337	(9,899)	3,403,735
Segment results	807,359 *(Note (a))*	5,562	6,395	32,791	(19,657)	(99,828)	–	732,622
Unallocated corporate expenses								(288,173)
Finance costs								(90,179)
Share of results of associates	–	–	–	–	–	470	–	470
Share of results of joint ventures	–	205	–	–	5,620	(28)	–	5,797
Profit before tax								360,537
Segment assets	4,783,031	349,670	1,204,081	546,442	2,193,748	125,591	–	9,202,563
Interests in associates	–	–	–	–	1,762	83,657	–	85,419
Interests in joint ventures	–	4,899	–	–	12,362	–	–	17,261
Unallocated assets								39,207
Total assets								9,344,450
Segment liabilities	523,853	353,146	–	511,458	602,818	652,713	(1,868,096)	775,892
Unallocated liabilities								2,850,085
Total liabilities								3,625,977

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	Food businesses HK$'000	Other HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Other segment information:								
Capital expenditure *(Note (b))*	6,433	1,248	–	–	135,003	22,667	–	165,351
Depreciation	(1,855)	(611)	–	–	(86,907)	(948)	–	(90,321)
Amortisation of intangible assets	–	–	–	–	(21,868)	–	–	(21,868)
Interest income	–	–	6,395	–	36,608	354	–	43,357
Finance costs	–	–	–	–	(2,990)	–	–	(2,990)
Gain on disposal of:								
Investment properties	68,282	–	–	–	–	–	–	68,282
Subsidiaries	–	–	–	68,891	–	600	–	69,491
Available-for-sale financial assets	–	–	–	21,179	–	–	–	21,179
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)
Available-for-sale financial assets	–	–	–	(23,161)	(21,442)	–	–	(44,603)
Inventories	–	–	–	–	(20,261)	–	–	(20,261)
Bad and doubtful debts	–	–	–	–	(1,933)	–	–	(1,933)
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	–	–	–	(43,056)	(5,671)	–	–	(48,727)
Net fair value gains on investment properties	534,077	–	–	–	–	–	–	534,077
Unallocated:								
Capital expenditure *(Note (b))*								124
Depreciation								(2,593)
Finance costs								(90,179)
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$64,264,000 (period ended 31st March, 2013 — HK$534,077,000) and gain on disposal of subsidiaries of HK$216,672,000 (period ended 31st March, 2013 — Nil).

(b) Capital expenditure includes additions to fixed assets, investment properties, intangible assets and exploration and evaluation assets.

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	**346,802**	423,973
Mainland China	**183,089**	269,658
Republic of Singapore	**1,666,725**	1,963,365
Malaysia	**565,735**	705,737
Other	**9,058**	41,002
	2,771,409	3,403,735

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	**1,701,153**	1,291,307
Mainland China	**789,862**	3,580,080
Republic of Singapore	**657,808**	786,091
Malaysia	**22,754**	36,356
Other	**77,171**	69,922
	3,248,748	5,763,756

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

No revenue from a single customer accounted for 10 per cent. or more of the total revenue for the year ended 31st March, 2014 and 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 sales of goods and food and beverage, fee income from operation of food courts, gross income from property management, and interest and other income from money lending and other businesses, after eliminations of all significant intra-group transactions.

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

	Group	
	Year ended 31st March, 2014 HK$'000	Period ended 31st March, 2013 HK$'000 (Restated)
Property investment	**185,385**	270,493
Property development	**–**	77,713
Treasury investment	**18,669**	8,803
Securities investment	**40,107**	49,546
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	**38,923**	40,927
	2,771,409	3,403,735

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	**185,385**	270,493
Less: Outgoings	**(17,843)**	(26,956)
Net rental income	**167,542**	243,537
Employee benefit expense *(Note (a))*:		
Wages and salaries	**(504,337)**	(598,226)
Equity-settled share option expense	**–**	(258)
Retirement benefit costs *(Note (b))*	**(44,400)**	(46,278)
Total staff costs	**(548,737)**	(644,762)

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)
Interest income:		
Unlisted financial assets at fair value through profit or loss	**–**	920
Financial assets at fair value through profit or loss designated as such upon initial recognition	**2,165**	33,280
Loans and advances	**2,883**	354
Other	**18,669**	8,803
Dividend income:		
Listed investments	**3,821**	2,058
Unlisted investments	**3,188**	–
Gain/(Loss) on disposal of:		
Listed financial assets at fair value through profit or loss	**30,745**	7,124
Unlisted financial assets at fair value through profit or loss	**–**	345
Listed available-for-sale financial assets	**131,599**	19,879
Unlisted available-for-sale financial assets	**–**	1,300
Derivative financial instruments	**188**	5,819
Properties held for sale	**–**	15,798
Fixed assets	**(139)**	1,397
Net fair value gain/(loss) on:		
Listed financial assets at fair value through profit or loss	**(56,126)**	(22,584)
Unlisted financial assets at fair value through profit or loss	**(2,369)**	3,550
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)
Provisions for impairment losses on:		
Unlisted available-for-sale financial assets	**(14,290)**	(44,603)
Inventories *(Note (c))*	**(13,826)**	(20,261)
Bad and doubtful debts *(Note (c))*	**(5,254)**	(1,933)
Write-down of fixed assets	**(2,695)**	(7,878)
Depreciation	**(94,965)**	(92,914)
Amortisation of intangible assets *(Note (d))*	**(17,267)**	(21,868)
Foreign exchange gains/(losses) — net	**5,577**	(19,405)
Auditors' remuneration	**(7,756)**	(10,688)
Operating lease rentals in respect of land and buildings:		
Minimum lease payments	**(230,246)**	(261,791)
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	**(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.

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	**1,425**	1,371
Basic salaries, housing and other allowances and benefits in kind	**5,130**	12,394
Discretionary bonuses paid and payable	**10,000**	11,500
Retirement benefit costs	**46**	34
	16,601	25,299

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	–	4,039	8,000	31	12,070
John Luen Wai Lee	–	1,091	2,000	15	3,106
	–	5,130	10,000	46	15,176
Non-executive director:					
Leon Nim Leung Chan	264	–	–	–	264
Independent non-executive directors:					
Edwin Neo	609	–	–	–	609
King Fai Tsui	264	–	–	–	264
Victor Ha Kuk Yung	288	–	–	–	288
	1,161	–	–	–	1,161
	1,425	5,130	10,000	46	16,601

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$'000	Retirement benefits costs HK$'000	Total HK$'000
Executive directors:					
Stephen Riady	–	11,014	9,000	16	20,030
John Luen Wai Lee	–	1,380	2,500	18	3,898
	–	12,394	11,500	34	23,928
Non-executive director:					
Leon Nim Leung Chan	265	–	–	–	265
Independent non-executive directors:					
Edwin Neo	545	–	–	–	545
King Fai Tsui	273	–	–	–	273
Victor Ha Kuk Yung	288	–	–	–	288
	1,106	–	–	–	1,106
	1,371	12,394	11,500	34	25,299

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.

8. FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

The five highest paid employees during the year included one Director (period ended 31st March, 2013 — one Director, restated), details of whose emoluments are set out in Note 7 to the financial statements. Details of the emoluments of the remaining four (period ended 31st March, 2013 — four, restated) 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	**10,762**	11,251
Discretionary bonuses paid and payable	**26,453**	37,000
Retirement benefit costs	**87**	78
	37,302	48,329

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

	Group	
Emoluments bands (HK$):	**Year ended 31st March, 2014 Number of employees**	Period ended 31st March, 2013 Number of employees (Restated)
3,000,000–3,500,000	**2**	–
4,000,001–4,500,000	**–**	2
4,500,001–5,000,000	**–**	1
8,000,001–8,500,000	**1**	–
22,000,001–22,500,000	**1**	–
35,000,001–35,500,000	**–**	1
	4	4

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	**107,577**	92,448
Interest on finance leases	**70**	44
Interest on other loans	**790**	677
	108,437	93,169

10. 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	**4,419**	8,504
Overprovision in prior years	**(6,204)**	(3,772)
Deferred *(Note 29)*	**253**	2,006
	(1,532)	6,738
Overseas:		
Charge for the year/period	**164,082**	45,519
Overprovision in prior years	**(12,580)**	(99,037)
Deferred *(Note 29)*	**(78,515)**	123,068
	72,987	69,550
Total charge for the year/period	**71,455**	76,288

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.

10. 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	**105,142**	360,537
Tax at the statutory tax rate of 16.5 per cent. (period ended 31st March, 2013 — 16.5 per cent.)	**17,348**	59,489
Effect of different tax rates in other jurisdictions	**20,302**	33,678
Effect of change in tax rates in other jurisdictions	**–**	367
Adjustments in respect of current tax of previous years	**(18,784)**	(102,809)
Profits and losses attributable to joint ventures and associates	**(265)**	(1,034)
Income not subject to tax	**(81,225)**	(48,570)
Expenses not deductible for tax	**112,710**	102,334
Effect of partial tax exemption and tax relief	**(4,736)**	(7,287)
Deferred tax on royalty income	**1,184**	3,320
Benefits from temporary differences previously unrecognised	**(3,599)**	(1,536)
Benefits from temporary differences not recognised	**28,520**	38,336
Tax charge at the Group's effective rate	**71,455**	76,288

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

The share of tax charge attributable to joint ventures of HK$919,000 (period ended 31st March, 2013 — HK$918,000, restated) is included in "Share of results of joint ventures" on the face of the consolidated statement of profit or loss.

11. RESULTS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated results attributable to equity holders of the Company for year includes a profit of HK$941,289,000 (period ended 31st March, 2013 — profit of HK$262,074,000) which has been dealt with in the financial statements of the Company as set out in Note 32 to the financial statements.

12. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(a) Basic earnings per share

Basic earnings per share is calculated based on (i) the consolidated profit for the year/period attributable to equity holders of the Company; and (ii) the weighted average number of approximately 9,186,913,000 ordinary shares (period ended 31st March, 2013 — approximately 9,188,660,000 ordinary shares) in issue during the year/period.

(b) Diluted earnings per share

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

Diluted earnings per share for the period ended 31st March, 2013 was calculated based on (i) the consolidated profit for the period attributable to equity holders of the Company; and (ii) the weighted average number of 9,189,080,000 ordinary shares, as follows:

	Number of shares Period ended 31st March, 2013
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	9,188,660,000
Effect of dilution — weighted average number of ordinary shares: Share options	420,000
	9,189,080,000

13. DIVIDENDS

	Group and Company	
	Year ended 31st March, 2014 HK$'000	Period ended 31st March, 2013 HK$'000
Interim dividend, declared, of HK0.2 cent (period ended 31st March, 2013 — HK0.3 cent) per ordinary share	**18,374**	27,554
Special dividend, declared, of HK3.5 cents (period ended 31st March, 2013 — Nil) per ordinary share	**321,542**	–
Final dividend, proposed, of HK0.75 cent (period ended 31st March, 2013 — HK0.75 cent) per ordinary share	**68,902**	68,902
	408,818	96,456

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

14. INTANGIBLE ASSETS

Group

Year ended 31st March, 2014	Goodwill HK$'000	Trademarks and trademark licence agreement HK$'000	Other intangible assets HK$'000	Total HK$'000
Cost:				
At 1st April, 2013				
As previously reported	23,371	–	–	23,371
Prior year adjustments	233,960	332,060	183,457	749,477
As restated	257,331	332,060	183,457	772,848
Disposal of subsidiaries	(23,371)	–	–	(23,371)
Exchange adjustments	(4,055)	(4,495)	(2,483)	(11,033)
At 31st March, 2014	229,905	327,565	180,974	738,444
Accumulated amortisation and impairment losses:				
At 1st April, 2013				
As previously reported	23,371	–	–	23,371
Prior year adjustments	57,459	21,962	94,243	173,664
As restated	80,830	21,962	94,243	197,035
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	118,331	21,665	110,223	250,219
Net book value:				
At 31st March, 2014	111,574	305,900	70,751	488,225

14. INTANGIBLE ASSETS *(continued)*

Group

Period ended 31st March, 2013 (restated)	Goodwill HK$'000	Trademarks and trademark licence agreement HK$'000	Other intangible assets HK$'000	Total HK$'000
Cost:				
At 1st January, 2012				
As previously reported	23,371	–	–	23,371
Prior year adjustments	224,128	317,555	175,443	717,126
As restated	247,499	317,555	175,443	740,497
Exchange adjustments	9,832	14,505	8,014	32,351
At 31st March, 2013	257,331	332,060	183,457	772,848
Accumulated amortisation and impairment losses:				
At 1st January, 2012				
As previously reported	23,371	–	–	23,371
Prior year adjustments	46,062	–	69,113	115,175
As restated	69,433	–	69,113	138,546
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	80,830	21,962	94,243	197,035
Net book value:				
At 31st March, 2013	176,501	310,098	89,214	575,813

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).

14. INTANGIBLE ASSETS *(continued)*

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 licencee for the provision of management services to the licencee.

Impairment testing of goodwill, trademarks and trademark licence agreement

Goodwill, trademarks and trademark licence agreement acquired through business combination have been allocated to the Group's CGUs identified according to each individual business unit for impairment testing.

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**
Edmontor 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
Edmontor 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.

14. INTANGIBLE ASSETS *(continued)*

Impairment testing of goodwill, trademarks and trademark licence agreement *(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:

(a) 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.

(b) For the year ended 31st March, 2014, an impairment assessment had been performed for the goodwill and trademark license 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.

(c) 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.

(d) 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.

(e) 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.

15. 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).

16. FIXED ASSETS

Group

Year ended 31st March, 2014	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures, plant and equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
Cost:						
At 1st April, 2013						
As previously reported	330,107	37,460	28,061	12,417	–	408,045
Prior year adjustments	125,998	79,539	302,933	12,255	2,925	523,650
As restated	456,105	116,999	330,994	24,672	2,925	931,695
Additions during the year *(Note)*	80	48,931	34,199	5,881	–	89,091
Disposal of subsidiaries	–	–	(311)	(2,304)	–	(2,615)
Disposals during the year	–	(5,229)	(5,155)	(3,120)	–	(13,504)
Write-off during the year	–	(9,817)	(13,610)	–	–	(23,427)
Reclassification	–	274	(58)	–	(216)	–
Exchange adjustments	(1,464)	1,599	(8,660)	(246)	(409)	(9,180)
At 31st March, 2014	454,721	152,757	337,399	24,883	2,300	972,060
Accumulated depreciation and impairment losses:						
At 1st April, 2013						
As previously reported	224,199	31,523	26,115	9,581	–	291,418
Prior year adjustments	86,580	32,980	140,667	11,373	2,257	273,857
As restated	310,779	64,503	166,782	20,954	2,257	565,275
Depreciation provided for the year	5,546	49,754	38,246	1,419	–	94,965
Impairment during the year	–	17,119	10,169	–	–	27,288
Disposal of subsidiaries	–	–	(162)	(2,073)	–	(2,235)
Disposals during the year	–	(4,946)	(4,747)	(2,499)	–	(12,192)
Write-off during the year	–	(8,985)	(11,747)	–	–	(20,732)
Reclassification	–	99	(99)	–	–	–
Exchange adjustments	(998)	1,440	(5,148)	(208)	(31)	(4,945)
At 31st March, 2014	315,327	118,984	193,294	17,593	2,226	647,424
Net book value:						
At 31st March, 2014	139,394	33,773	144,105	7,290	74	324,636

16. FIXED ASSETS *(continued)*

Group

Period ended 31st March, 2013 (restated)	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures, plant and equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
Cost:						
At 1st January, 2012						
As previously reported	330,061	31,762	37,418	12,410	–	411,651
Prior year adjustments	121,564	22,058	268,779	13,859	13,626	439,886
As restated	451,625	53,820	306,197	26,269	13,626	851,537
Additions during the period *(Note)*	122	90,137	49,690	891	2,151	142,991
Disposals during the period	–	(7,585)	(20,604)	(2,719)	–	(30,908)
Write-off during the period	(1,051)	(24,949)	(19,596)	(342)	(118)	(46,056)
Reclassification	–	6,455	6,205	–	(12,660)	–
Exchange adjustments	5,409	(879)	9,102	573	(74)	14,131
At 31st March, 2013	456,105	116,999	330,994	24,672	2,925	931,695
Accumulated depreciation and impairment losses:						
At 1st January, 2012						
As previously reported	220,694	31,297	35,671	9,625	–	297,287
Prior adjustments	80,045	17,802	122,619	11,432	305	232,203
As restated	300,739	49,099	158,290	21,057	305	529,490
Depreciation provided for the period	7,259	44,709	39,302	1,644	–	92,914
Impairment/(impairment written back) during the period	–	(2,599)	2,760	–	1,927	2,088
Disposals during the period	–	(7,019)	(19,980)	(1,911)	–	(28,910)
Write-off during the period	(783)	(20,373)	(16,711)	(311)	–	(38,178)
Exchange adjustments	3,564	686	3,121	475	25	7,871
At 31st March, 2013	310,779	64,503	166,782	20,954	2,257	565,275
Net book value:						
At 31st March, 2013	145,326	52,496	164,212	3,718	668	366,420

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.

16. 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 27 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 27 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	**101,890**	104,488
Medium term leasehold land and buildings situated outside Hong Kong	**28,799**	30,645
Short term leasehold land and buildings situated outside Hong Kong	**8,705**	10,193
	139,394	145,326

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.

16. FIXED ASSETS *(continued)*

Company

Year ended 31st March, 2014	Leasehold improvements HK$'000	Furniture, fixtures, plant and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost:				
At 1st April, 2013	2,289	5,050	5,917	13,256
Additions during the year	–	112	–	112
Disposals during the year	–	(24)	–	(24)
At 31st March, 2014	**2,289**	**5,138**	**5,917**	**13,344**
Accumulated depreciation:				
At 1st April, 2013	2,282	4,466	5,382	12,130
Depreciation provided for the year	7	207	338	552
Disposals during the year	–	(24)	–	(24)
At 31st March, 2014	**2,289**	**4,649**	**5,720**	**12,658**
Net book value:				
At 31st March, 2014	–	**489**	**197**	**686**

Period ended 31st March, 2013	Leasehold improvements HK$'000	Furniture, fixtures, plant and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost:				
At 1st January, 2012	2,289	6,375	5,917	14,581
Additions during the period	–	122	–	122
Disposals during the period	–	(1,447)	–	(1,447)
At 31st March, 2013	2,289	5,050	5,917	13,256
Accumulated depreciation:				
At 1st January, 2012	2,271	5,608	4,959	12,838
Depreciation provided for the period	11	299	423	733
Disposals during the period	–	(1,441)	–	(1,441)
At 31st March, 2013	2,282	4,466	5,382	12,130
Net book value:				
At 31st March, 2013	7	584	535	1,126

17. INVESTMENT PROPERTIES

	Group	
	Year ended 31st March, 2014 HK$'000	Period ended 31st March, 2013 HK$'000
Balance at beginning of year/period	**4,599,855**	4,599,721
Additions during the year/period	**70,239**	–
Disposal of subsidiaries during the year/period	**(2,582,891)**	–
Disposals during the year/period	**–**	(549,534)
Reclassification from deposit paid	**11,293**	–
Fair value adjustments	**64,264**	534,077
Exchange adjustments	**85,781**	15,591
Balance at end of year/period	**2,248,541**	4,599,855
Investment properties held under the following lease terms:		
Long term leasehold situated in Hong Kong	**1,530,500**	1,140,100
Freehold situated outside Hong Kong	**40,910**	–
Medium term leasehold outside Hong Kong	**677,131**	3,459,755
	2,248,541	4,599,855

Certain investment properties have been mortgaged to secure banking facilities made available to the Group as set out in Note 27 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$1,530,500,000 (31st March, 2013 — HK$1,140,100,000).

Based on professional valuations as at 31st March, 2014 made by RHL Appraisal Ltd and Dalia Assia, independent qualified valuers, the investment properties situated outside Hong Kong were revalued on an open market, existing use basis at HK$718,041,000 (31st March, 2013 — HK$3,459,755,000).

17. 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			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Recurring fair value measurement for:				
Completed investment properties in:				
Hong Kong	–	–	1,530,500	1,530,500
Mainland China and overseas	–	–	488,548	488,548
	–	–	2,019,048	2,019,048
Investment properties under development in mainland China	–	–	229,493	229,493
	–	–	2,248,541	2,248,541

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	4,412,875	186,980
Additions	70,239	–
Disposal of subsidiaries	(2,582,891)	–
Reclassification from deposit paid	11,293	–
Net gain from fair value adjustments	25,195	39,069
Exchange adjustments	82,337	3,444
Carrying amount at 31st March, 2014	**2,019,048**	**229,493**

17. 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$16,500 to HK$88,600
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.

18. INTERESTS IN ASSOCIATES

	Group	
	31st March, 2014 HK$'000	31st March, 2013 HK$'000 (Restated)
Share of net assets in unlisted investments	**58,815**	79,123
Goodwill	**–**	30,068
Due from associates	**34,894**	60,852
	93,709	170,043
Provisions for impairment losses	**(40,064)**	(84,624)
	53,645	85,419
Market value of listed investments	**–**	36,763

At 31st March, 2013, the balances with the associates included a loan of HK$15,526,000, which bore interest at five-year United States Treasury bill rate per annum.

18. INTERESTS IN ASSOCIATES *(continued)*

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$27,811,000 (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 page 157.

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' profit/(loss) and total comprehensive income/(loss) for the year/period	**(3,259)**	470
Aggregate carrying amount of the Group's interests in the associates	**53,645**	85,419

	Company	
	31st March, 2014 HK$'000	31st March, 2013 HK$'000
Unlisted shares, at cost	**1**	1

19. INTERESTS IN JOINT VENTURES

	Group	
	31st March, 2014 HK$'000	31st March, 2013 HK$'000 (Restated)
Share of net assets in unlisted investments	**17,955**	17,261

Details of the principal joint ventures are set out on page 158.

19. 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 and total comprehensive income for the year/period	**4,868**	5,797
Aggregate carrying amount of the Group's interests in the joint ventures	**17,955**	17,261

The Group's trade receivable balance due from a joint venture is disclosed in Note 21 to the financial statements.

20. 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	**–**	155,897	**–**	–
Unlisted investment funds	**3,368**	4,584	**–**	–
	3,368	160,481	**–**	–
Financial assets stated at cost:				
Unlisted equity securities	**110,049**	111,271	**–**	–
Unlisted debt securities	**7,298**	7,298	**7,298**	7,298
Unlisted investment funds	**104,944**	102,569	**–**	–
	222,291	221,138	**7,298**	7,298
Provisions for impairment losses	**(108,577)**	(92,906)	**–**	–
	113,714	128,232	**7,298**	7,298
	117,082	288,713	**7,298**	7,298

The debt securities are non-interest-bearing.

20. 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	**110,049**	267,168	**–**	–
Debt securities:				
Club debentures	**7,298**	7,298	**7,298**	7,298

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$639,000 (period ended 31st March, 2013 — gain of HK$81,893,000), of which gain of HK$118,914,000 (period ended 31st March, 2013 — gain of HK$16,525,000) 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.

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 31 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$44,603,000, restated) has been charged to the consolidated statement of profit or loss for the year.

21. 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:		
Within 30 days	**232,245**	231,515
Between 31 and 60 days	**78,187**	57,747
Between 61 and 90 days	**39,464**	36,778
Between 91 and 180 days	**13,661**	13,167
Over 180 days	**117**	1,094
	363,674	340,301

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. 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.

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

At the end of the reporting period, the individually impaired trade and other receivables relate to the food businesses segment with a carrying amount of HK$27,829,000 (31st March, 2013 — HK$26,304,000, 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	**26,304**	55,942
Allowance for bad and doubtful debts	**5,254**	1,933
Amount written off as uncollectible	**(2,626)**	(32,063)
Exchange adjustments	**(1,103)**	492
Balance at end of year/period	**27,829**	26,304

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

22. 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 *(Note)*	**–**	**–**	–	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.

23. 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	**451,723**	136,918
Additions during the year/period	**232,891**	–
Reclassified from deposits paid for properties under development	**–**	314,274
Exchange adjustments	**8,270**	531
Balance at end of year/period	**692,884**	451,723
Provisions for impairment losses:		
Balance at beginning of year/period	**(137,449)**	(136,918)
Exchange adjustments	**(2,516)**	(531)
Balance at end of year/period	**(139,965)**	(137,449)
	552,919	314,274
Land and buildings situated outside Hong Kong held under the following lease terms:		
Long term lease	**198,716**	108,527
Medium term lease	**354,203**	205,747
	552,919	314,274

24. 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

25. 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	**103,071**	125,884
Equity securities listed overseas	**112,509**	164,635
Unlisted investment funds	**8,834**	11,168
	224,414	301,687
Financial assets at fair value through profit or loss designated as such upon initial recognition:		
Mezzanine loan *(Note)*	**–**	217,905
	224,414	519,592

Note: In 2010, the Group, through the Fund, acquired a mezzanine loan of HK$217,921,000 owing from a third party, which bore interest at a rate of 15 per cent. per annum. There was a default by the borrower in 2012 but there was no default recoverability issue as the loan was secured by a first ranking mortgage over a 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.

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	**215,580**	290,519

26. RESTRICTED CASH

The balance included bank deposits pledged to secure banking facilities made available to the Group and as securities for bankers' guarantees issued as set out in Notes 27 and 37 to the financial statements, respectively.

27. 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 *(Note (a))*	**652,000**	83,168	**652,000**	72,000
Unsecured	**41,195**	32,885	**–**	–
Obligations under finance leases *(Note (b))*	**715**	400	**–**	–
	693,910	116,453	**652,000**	72,000
Non-current portion:				
Secured bank loans *(Note (a))*	**–**	1,920,772	**–**	832,000
Obligations under finance leases *(Note (b))*	**3,237**	519	**–**	–
	3,237	1,921,291	**–**	832,000
	697,147	2,037,744	**652,000**	904,000
Bank and other borrowings by currency:				
Hong Kong dollar	**652,000**	1,660,521	**652,000**	904,000
Renminbi	**–**	343,419	**–**	–
Malaysian Ringgit	**45,147**	33,804	**–**	–
	697,147	2,037,744	**652,000**	904,000
Bank loans repayable:				
Within one year	**693,195**	116,053	**652,000**	72,000
In the second year	**–**	840,668	**–**	832,000
In the third to fifth years, inclusive	**–**	1,080,104	**–**	–
	693,195	2,036,825	**652,000**	904,000
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	**–**	–

27. 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 3.9 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) first legal mortgages over certain investment properties and leasehold land and buildings of the Group with carrying amounts of HK$1,530,500,000 (31st March, 2013 — HK$4,004,242,000) and HK$101,890,000 (31st March, 2013 — HK$104,488,000), respectively; and

(ii) certain bank deposits of the Group with a carrying amount of HK$2,374,000 (31st March, 2013 — HK$40,320,000, 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

28. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

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

	Group	
	31st March, 2014 HK$'000	31st March, 2013 HK$'000 (Restated)
Outstanding balances with ages:		
Within 30 days	**168,807**	125,936
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
	229,365	179,670

The balances of creditors are non-interest-bearing and are generally settled on their normal trade terms.

29. 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	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	10,479	654,094	(2,841)	–	–	661,732
Prior year adjustments	11,436	–	–	(7,380)	18,805	22,861
As restated	21,915	654,094	(2,841)	(7,380)	18,805	684,593
Deferred tax charged/(credited) to the statement of profit or loss during the year *(Note 10)*	596	(72,947)	(287)	(580)	(5,044)	(78,262)
Disposal of subsidiaries *(Note 35)*	–	(518,100)	–	–	–	(518,100)
Exchange adjustments	(371)	20,015	–	155	(254)	19,545
At 31st March, 2014	22,140	83,062	(3,128)	(7,805)	13,507	107,776

29. DEFERRED TAX *(continued)*

	Depreciation allowance in excess of related depreciation HK$'000	Revaluation of properties HK$'000	Tax losses HK$'000	Provision and accruals HK$'000	Others HK$'000	Total HK$'000
Period ended 31st March, 2013 (restated)						
At 1st January, 2012						
As previously reported	8,233	522,336	(2,601)	–	–	527,968
Prior year adjustments	13,585	–	–	(5,493)	18,348	26,440
As restated	21,818	522,336	(2,601)	(5,493)	18,348	554,408
Deferred tax charged/(credited) to the statement of profit or loss during the period *(Note 10)*	(707)	128,116	(240)	(1,716)	(379)	125,074
Exchange adjustments	804	3,642	–	(171)	836	5,111
At 31st March, 2013	21,915	654,094	(2,841)	(7,380)	18,805	684,593

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	**114,484**	690,699
Net deferred tax liabilities	**107,776**	684,593

The Group has tax losses of HK$830,607,000 (31st March, 2013 — HK$768,379,000, 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$135,663,000) 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.

29. DEFERRED TAX *(continued)*

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, 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.

30. 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:				
9,186,912,716 (31st March, 2013 — 9,186,912,716) ordinary shares	**1,705,907**	918,691	**1,704,032**	918,691

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	9,191,252,716	919,125	9,191,252,716	919,125
Shares repurchased	(6,640,000)	(664)	(6,640,000)	(664)
Share option exercised	2,300,000	230	2,300,000	230
At 31st March, 2013 and 1st April, 2013	9,186,912,716	918,691	9,186,912,716	918,691
Transfer to issued capital *(Note)*	–	787,216	–	785,341
At 31st March, 2014	**9,186,912,716**	**1,705,907**	**9,186,912,716**	**1,704,032**

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 have been transferred to issued capital.

30. SHARE CAPITAL *(continued)*

During the period ended 31st March, 2013, the movements in share capital were as follows:

(a) The Company had repurchased a total of 6,640,000 ordinary shares in the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The premium of HK$540,000 arising from such repurchases has been charged to the retained profits of the Company and an amount of HK$664,000 was transferred from retained profits to the capital redemption reserve as set out in the consolidated statement of changes in equity on page 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.

(b) 2,300,000 ordinary shares in the Company were issued upon exercise in cash by an option holder of his right to subscribe for 2,300,000 ordinary shares at an exercise price of HK$0.169 per share. An amount of HK$230,000 was credited to the issued share capital and the balance of HK$159,000 was credited to the share premium account. HK$152,000 was transferred from the share option reserve to the share premium account upon the exercise of the option.

31. SHARE OPTION SCHEMES

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

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

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

31. SHARE OPTION SCHEMES *(continued)*

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

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

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

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

(b) 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 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).

31. SHARE OPTION SCHEMES *(continued)*

(b) 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.

32. 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 page 43.

Company

	Share premium account HK$'000	Share option reserve HK$'000	Capital reserve HK$'000	Capital redemption reserve HK$'000	Retained profits HK$'000	Total HK$'000
Year ended 31st March, 2014						
At 1st April, 2013	**783,693**	**–**	**705**	**1,648**	**743,613**	**1,529,659**
Profit for the year and total comprehensive income for the year *(Note 11)*	**–**	**–**	**–**	**–**	**941,289**	**941,289**
Transfer to issued capital *(Note 30)*	**(783,693)**	**–**	**–**	**(1,648)**	**–**	**(785,341)**
2012/2013 final dividend declared and paid to shareholders of the Company	**–**	**–**	**–**	**–**	**(68,902)**	**(68,902)**
2013/2014 interim dividend declared and paid to shareholders of the Company	**–**	**–**	**–**	**–**	**(18,374)**	**(18,374)**
2013/2014 special dividend declared and paid to shareholders of the Company	**–**	**–**	**–**	**–**	**(321,542)**	**(321,542)**
At 31st March, 2014	**–**	**–**	**705**	**–**	**1,276,084**	**1,276,789**
Period ended 31st March, 2013						
At 1st January, 2012	783,382	10,462	705	984	683,812	1,479,345
Profit for the period and total comprehensive income for the period *(Note 11)*	–	–	–	–	262,074	262,074
Repurchases of shares	–	–	–	664	(1,204)	(540)
Issuance of shares upon exercise of share options	311	(152)	–	–	–	159
Transfer of share option reserve upon expiry of share options	–	(10,310)	–	–	10,310	–
2011 final and special final dividends declared and paid to shareholders of the Company	–	–	–	–	(183,825)	(183,825)
2012 interim dividend declared and paid to shareholders of the Company	–	–	–	–	(27,554)	(27,554)
At 31st March, 2013	783,693	–	705	1,648	743,613	1,529,659

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$1,276,084,000 (31st March, 2013 — HK$743,613,000).

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$68,902,000 (period ended 31st March, 2013 — HK$68,902,000) proposed after the end of the reporting period.

33. INTERESTS IN SUBSIDIARIES

	Company	
	31st March, 2014 HK$'000	31st March, 2013 HK$'000
Unlisted shares, at cost	**116,114**	147,217
Due from subsidiaries	**4,162,194**	5,334,433
Due to subsidiaries	**(711,556)**	(1,562,779)
	3,566,752	3,918,871
Provisions for impairment losses	**(870,272)**	(1,469,022)
	2,696,480	2,449,849

The balances with subsidiaries are unsecured and have no fixed terms of repayment. Certain balances bear interest at 2.95 per cent. (31st March, 2013 – 2.95 per cent.) per annum. The remaining balances are considered as quasi-equity investments in the subsidiaries.

Details of the principal subsidiaries are set out on pages 145 to 156.

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:		
Auric	**60.6 per cent.**	60.6 per cent.
Asia Now	**50.1 per cent.**	50.1 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:		
Auric	**(67,883)**	30,712
Asia Now	**(7,249)**	(35,027)
Dividends paid to non-controlling interests of Auric	**11,809**	11,971
Accumulated balances of non-controlling interests at the end of the reporting periods:		
Auric	**711,380**	907,371
Asia Now	**45,280**	56,786

33. INTERESTS IN SUBSIDIARIES *(continued)*

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

	Auric HK$'000	Asia Now HK$'000
Year ended 31st March, 2014		
Revenue	**2,511,649**	**79**
Total expenses	**(2,642,993)**	**(14,556)**
Loss for the year	**(131,344)**	**(14,477)**
Total comprehensive loss for the year	**(142,438)**	**(14,477)**
Current assets	**1,066,656**	**5,877**
Non-current assets	**820,625**	**96,369**
Current liabilities	**(523,143)**	**(3,033)**
Non-current liabilities	**(55,836)**	**(8,353)**
Net cash flows used in operating activities	**(51,985)**	**(5,070)**
Net cash flows from/(used in) investing activities	**56,684**	**(17,648)**
Net cash flows from/(used in) financing activities	**(89,454)**	**9,213**
Net decrease in cash and cash equivalents	**(84,755)**	**(13,505)**
Period ended 31st March, 2013		
Revenue	3,016,857	675
Total expenses	(2,957,739)	(70,633)
Profit/(Loss) for the period	59,118	(69,958)
Total comprehensive income/(loss) for the period	51,589	(69,958)
Current assets	1,282,030	20,331
Non-current assets	937,386	98,866
Current liabilities	(501,167)	(5,783)
Non-current liabilities	(153,485)	–
Net cash flows from/(used in) operating activities	169,170	(18,177)
Net cash flows used in investing activities	(103,153)	(22,390)
Net cash flows used in financing activities	(37,534)	–
Net increase/(decrease) in cash and cash equivalents	28,483	(40,567)

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of profit before tax to cash used in operations

	Note	Group **Year ended 31st March, 2014 HK$'000**	Period ended 31st March, 2013 HK$'000 (Restated)
Profit before tax		**105,142**	360,537
Adjustments for:			
Share of results of associates		**3,259**	(470)
Share of results of joint ventures		**(4,868)**	(5,797)
Loss/(Gain) on disposal of:			
Fixed assets		**139**	(1,397)
Investment properties		**–**	(68,282)
Subsidiaries	35	**(216,695)**	(69,491)
A joint venture		**–**	(310)
Available-for-sale financial assets		**(131,599)**	(21,179)
Loss on derecognition of an associate		**–**	61,365
Provisions for impairment losses:			
Intangible assets		**61,667**	31,085
Fixed assets		**27,288**	2,088
Exploration and evaluation assets		**3,879**	27,419
Associates		**27,811**	36,771
Available-for-sale financial assets		**14,290**	44,603
Bad and doubtful debts		**5,254**	1,933
Inventories		**13,826**	20,261
Write-down of fixed assets		**2,695**	7,878
Write-down of exploration and evaluation assets		**–**	26,117
Net fair value gains on investment properties		**(64,264)**	(534,077)
Net fair value loss on financial instruments at fair value through profit or loss		**66,378**	64,108
Finance costs		**108,437**	93,169
Interest income		**(23,717)**	(43,357)
Dividend income		**(7,009)**	(2,058)
Depreciation	6	**94,965**	92,914
Amortisation of intangible assets	6	**17,267**	21,868
Equity-settled share option arrangement		**–**	258
		104,145	145,956
Decrease in properties held for sale		**–**	61,915
Increase in properties under development		**(232,891)**	–
Increase in inventories		**(84,613)**	(4,243)
Increase in deposits paid for properties under development		**–**	(121,650)
Decrease/(Increase) in financial instruments at fair value through profit or loss		**18,778**	(188,955)
Decrease in loans and advances		**–**	5,100
Decrease/(Increase) in debtors, prepayments and deposits		**(48,197)**	(9,153)
Increase/(Decrease) in creditors, accruals and deposits received		**33,038**	(66,860)
Increase/(Decrease) in other financial liabilities		**(33,965)**	33,557
Cash used in operations		**(243,705)**	(144,333)

35. DISPOSAL OF SUBSIDIARIES

	Group	
	Year ended 31st March, 2014 HK$'000	Period ended 31st March, 2013 HK$'000
Net assets disposed of:		
Fixed assets	**380**	–
Investment properties	**2,582,891**	–
Available-for-sale financial assets	**–**	202,820
Debtors, prepayments and deposits	**2,231**	–
Restricted cash	**16,365**	–
Cash and bank balances	**82,096**	3
Bank and other borrowings	**(1,163,666)**	–
Creditors, accruals and deposits received	**(107,885)**	(15)
Tax payables	**(18,162)**	–
Deferred tax liabilities	**(518,100)**	–
	876,150	202,808
Release of cumulative fair value changes on available-for-sale financial assets	**–**	(78,020)
Release of cumulative exchange differences on translation of foreign operations	**(259,158)**	–
	616,992	124,788
Gain on disposal	**216,695**	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

35. 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	**(82,096)**	(3)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**751,591**	173,976

36. CHANGE IN NON-CONTROLLING INTERESTS WITHOUT CHANGE IN CONTROL

Major change in non-controlling interests during the year ended 31st March, 2014 is as follows:

In June 2013, a wholly-owned subsidiary of Auric made a voluntary unconditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Food Junction Holdings Limited ("Food Junction"), a 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$80,205,000 and an increase in retained profits of HK$9,925,000.

During the period ended 31st March, 2013, there were no material changes in ownership interests in subsidiaries without change in control.

37. CONTINGENT LIABILITIES

Group

	31st March, 2014 HK$'000	31st March, 2013 HK$'000 (Restated)
Secured bankers' guarantee *(Note (a))*	**33,637**	41,560
Unsecured bankers' guarantee *(Note (b))*	**6,270**	2,850
	39,907	44,410

Note:

(a) 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.

(b) 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.

Company

At 31st March, 2014, the Company did not have any material contingent liabilities. At 31st March, 2013, guarantees provided by the Company in respect of banking facilities granted to its subsidiaries amounted to HK$1,167,916,000, which were utilised to an extent of HK$1,126,676,000.

38. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties 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).

38. OPERATING LEASE ARRANGEMENTS *(continued)*

(a) As lessor *(continued)*

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	**127,908**	277,009
In the second to fifth years, inclusive	**40,931**	210,555
After five years	**–**	887
	168,839	488,451

(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	**204,488**	139,686	**774**	2,320
In the second to fifth years, inclusive	**257,777**	191,574	**–**	774
After five years	**79,646**	28,261	**–**	–
	541,911	359,521	**774**	3,094

39. 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 properties, plant and equipment and properties under development:		
Contracted, but not provided for	**200,554**	101,348
Other commitments:		
Contracted, but not provided for *(Note)*	**16,180**	20,498
	216,734	121,846

Note: The balance included the Group's capital commitments in respect of the joint operations of approximately HK$11 million (31st March, 2013 — HK$14 million, restated).

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

40. 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 rental income (including service charge) of HK$2,981,000 (period ended 31st March, 2013 — HK$3,785,000) from Hongkong Chinese Limited ("HKC"), a fellow subsidiary of the Company. The rental was determined by reference to the then prevailing open market rentals. Such lease will expire on 15th September, 2014. The Group expects the total future minimum lease receivables for the year ending 31st March, 2015 to be approximately HK$1,227,000.

(b) During the year, the Group received rental income (including service charge) of HK$6,617,000 (period ended 31st March, 2013 — HK$8,912,000) from Lippo. The rental was determined by reference to the then prevailing open market rentals. Such lease will expire on 31st December, 2014. The Group expects the total future minimum lease receivables for the year ending 31st March, 2015 to be approximately HK$4,482,000.

(c) During the year, the Group paid trading commission, brokerage service fees, collection fees and/or other incidental fees (the "Fees") in the total amount of HK$1,280,000 (period ended 31st March, 2013 — HK$387,000) to subsidiaries of HKC. The Fees were determined by reference to the prevailing fees offered to relevant market customers of comparable standing.

(d) 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 subsidiary of OUE Limited ("OUE"), a joint venture of HKC. The service fee was determined by reference to the market rates comparable to that of other service providers.

40. RELATED PARTY TRANSACTIONS *(continued)*

(e) During the period from 1st April, 2013 to 14th July, 2013, the Group paid rental expense (including service charge) of HK$980,000 (period ended 31st March, 2013 – HK$3,787,000) to a subsidiary of OUE. The rental was determined by reference to the then prevailing open market rentals.

(f) During the period from 15th July, 2013 to 31st March, 2014, the Group paid rental expense (including service charge) in the total amount of HK$2,529,000 (period ended 31st March, 2013 — Nil) to joint ventures of HKC. The rental was determined by reference to the then prevailing open market rentals. Such lease will expire on 14th July, 2016. The Group expects the total future minimum lease payables for the years 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.

(g) 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 a fellow subsidiary. The sales were made on normal commercial terms in line with, and with reference to, the industry practice.

(h) 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.

(i) In October 2013, the Group entered into an agreement for the disposal of the entire issued share capital of Tecwell Limited ("Tecwell") which, through its wholly-owned subsidiary, owns the properties at Lippo Plaza in Shanghai to a subsidiary of OUE Commercial Real Estate Investment Trust, which is a subsidiary of a joint venture of HKC (the "Disposal"). The Disposal was completed in January 2014 for a final cash consideration of approximately HK$833.7 million.

(j) Following the completion of the Disposal, Tecwell and its subsidiary became a joint venture of HKC and was deemed to be a connected person of the Company. From 27th January, 2014 to 31st March, 2014, the Group paid rental expenses of HK$180,000 to a subsidiary of Tecwell. The rental was determined by reference to the then prevailing open market rentals. Such lease will expire on 17th March, 2016. The Group expects the total future minimum lease payables for the years ending 31st March, 2015 and 31st March, 2016 to be approximately HK$1,000,000 and HK$962,000, respectively.

(k) During the year, the Group paid management fee of HK$641,000 (period ended 31st March, 2013 — HK$514,000) to a subsidiary of Lippo for management of an exchange traded fund held by the Group. The management fee was calculated based on net asset value of that fund.

(l) As at 31st March, 2014, the Group had balances with its associates and a joint venture, further details of which are set out in Notes 18 and 21 to the financial statements.

(m) The key management personnel of the Group are the Directors. Details of the Directors' emoluments are disclosed in Note 7 to the financial statements.

40. RELATED PARTY TRANSACTIONS *(continued)*

The transactions referred to in items (a) to (c), (f), (j) and (k) above are/were also continuing 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. The transactions referred to in items (d) and (g) above have become continuing connected transactions of the Company with effect from 1st April, 2013 upon the adoption of HKFRS 10 as explained in Note 2.2 to the financial statements which were subject to disclosure requirements under the Listing Rules. The transaction referred to in item (i) above was a connected transaction under Chapter 14A of the Listing Rules. Further details of the above transactions are disclosed in the section headed "Continuing Connected Transactions and Connected Transaction" in the Report of the Directors. The transaction referred to in item (e) above was a continuing connected transaction with effect from 1st April, 2013 but was exempted from reporting, annual review and independent shareholders' approval under Chapter 14A of the Listing Rules. The transactions referred to in items (h), (l) and (m) above were not continuing connected transactions or connected transactions as defined under Chapter 14A of the Listing Rules which were subject to the disclosure requirements under the Listing Rules during the year.

In respect of the above transactions, the relationships between the Company, HKC and Lippo, all are publicly listed companies in Hong Kong, and the ultimate holding company of which is Lippo Capital, are defined, and the Directors' interests therein are separately reported.

41. 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
Available-for-sale financial assets	–	–	117,082	117,082
Financial assets at fair value through profit or loss	224,414	–	–	224,414
Financial assets included in debtors, prepayments and deposits	–	481,608	–	481,608
Restricted cash	–	23,809	–	23,809
Cash and bank balances	–	1,474,165	–	1,474,165
	224,414	1,979,582	117,082	2,321,078

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	–	697,147	–	697,147
Financial liabilities included in creditors, accruals and deposits received	–	560,398	–	560,398
Other financial liabilities	15,739	–	259	15,998
	15,739	1,257,545	259	1,273,543

41. 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 asset 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
Available-for-sale financial assets	–	–	–	288,713	–	288,713
Financial assets at fair value through profit or loss	217,905	301,687	–	–	–	519,592
Other financial assets	–	–	–	–	24,914	24,914
Financial assets included in debtors, prepayments and deposits	–	–	468,789	–	–	468,789
Restricted cash	–	–	66,193	–	–	66,193
Cash and bank balances	–	–	1,611,315	–	–	1,611,315
	217,905	301,687	2,161,823	288,713	24,914	2,995,042

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	–	2,037,744	–	2,037,744
Financial liabilities included in creditors, accruals and deposits received	–	631,171	–	631,171
Other financial liabilities	134,632	–	32,440	167,072
	134,632	2,668,915	32,440	2,835,987

41. 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			
Amounts due from subsidiaries	**598,195**	**–**	**598,195**
Available-for-sale financial assets	**–**	**7,298**	**7,298**
Financial assets included in debtors, prepayments and deposits	**1,732**	**–**	**1,732**
Cash and bank balances	**930,925**	**–**	**930,925**
	1,530,852	**7,298**	**1,538,150**
At 31st March, 2013			
Amounts due from subsidiaries	659,016	–	659,016
Available-for-sale financial assets	–	7,298	7,298
Financial assets included in debtors, prepayments and deposits	1,858	–	1,858
Cash and bank balances	921,276	–	921,276
	1,582,150	7,298	1,589,448

Financial liabilities

	Financial liabilities at amortised cost	
	31st March, 2014 HK$'000	31st March, 2013 HK$'000
Bank loans	**652,000**	904,000
Financial liabilities included in creditors, accruals and deposits received	**4,854**	31,491
	656,854	935,491

42. 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 Amount		Fair Value	
	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	**3,368**	160,481	**3,368**	160,481
Financial assets at fair value through profit or loss	**224,414**	519,592	**224,414**	519,592
Other financial assets	**–**	24,914	**–**	24,914
	227,782	704,987	**227,782**	704,987
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, restricted cash, financial assets included in debtors, prepayments and deposits, amounts due from associates, financial liabilities included in creditors, payables and accruals 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.

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

The fair values of listed equity investments 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.

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

The fair value of financial liabilities at fair value through profit or loss designated as such upon initial recognition within 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 input	Range (weighted average)	Sensitivity of the input to fair value
Available-for-sale investment fund	Discounted cash flow method	Discount rate	10 per cent.	Increase/(decrease) in discount rate would result in (decrease)/increase in fair value

The unquoted mezzanine loan (Note 25) and unquoted redeemable preference shares (Note 22) 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 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.

42. 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			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
As at 31st March, 2014				
Assets measured at fair value				
Available-for-sale financial assets:				
Investment funds	–	–	3,368	3,368
Financial assets at fair value through profit or loss:				
Equity securities	215,580	–	–	215,580
Investment funds	–	8,834	–	8,834
	215,580	8,834	3,368	227,782
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	155,897	–	–	155,897
Investment fund	–	–	4,584	4,584
Financial assets at fair value through profit or loss:				
Equity securities	290,519	–	–	290,519
Investment funds	–	11,168	–	11,168
Mezzanine loan	–	–	217,905	217,905
Other financial assets:				
Derivative financial instruments	–	17,639	7,275	24,914
	446,416	28,807	229,764	704,987
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

42. 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 fund HK$'000	Investment funds at fair value through profit or loss HK$'000	Derivative financial instruments HK$'000	Financial assets at fair value through profit or loss designated as such upon initial recognition HK$'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	**4,584**	**–**	**7,275**	**217,905**	**(98,919)**
Total losses recognised in the statement of profit or loss	**–**	**–**	**(7,275)**	**–**	**(524)**
Total losses recognised in other comprehensive income	**(639)**	**–**	**–**	**–**	**–**
Disposals	**(577)**	**–**	**–**	**(217,905)**	**99,443**
At 31st March, 2014	**3,368**	**–**	**–**	**–**	**–**
Period ended 31st March, 2013 (restated)					
At 1st January, 2012	38,007	73,538	18,625	–	(97,508)
Total losses recognised in the statement of profit or loss	–	–	(11,350)	–	(9,754)
Total losses recognised in other comprehensive income	(380)	–	–	2,719	8,343
Transferred from Level 2	–	–	–	215,186	–
Purchases	4,964	–	–	–	–
Disposals	(38,007)	(73,538)	–	–	–
At 31st March, 2013	4,584	–	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.

43. 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 food businesses, lending, treasury, investment and other activities undertaken by the Group.

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.

The Group's exposure to credit risk arising from 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	**3,731**	4,091
Mainland China	**99**	931
Republic of Singapore	**254,325**	228,117
Malaysia	**105,519**	107,162
	363,674	340,301

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

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

(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. Approximately 99.5 per cent. of the Group's debts would mature in less than one year as at 31st March, 2014 (31st March, 2013 — 6 per cent., restated) based on the carrying values of bank and other borrowings.

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$'000	Undated Total HK$'000	Total HK$'000
At 31st March, 2014							
Assets							
Debt securities:							
Available-for-sale financial assets	–	–	–	–	–	7,298	7,298
Debtors and deposits	–	350,085	64,588	44,740	–	22,195	481,608
Restricted cash	–	22,669	1,140	–	–	–	23,809
Cash and bank balances	405,446	1,068,719	–	–	–	–	1,474,165
	405,446	1,441,473	65,728	44,740	–	29,493	1,986,880
Liabilities							
Bank and other borrowings	–	365,000	328,984	3,520	–	–	697,504
Creditors, accruals and deposits received	–	210,806	275,160	4,143	–	70,289	560,398
Other financial liabilities	15,739	259	–	–	–	–	15,998
Bankers' guarantee	–	1,228	7,552	31,127	–	–	39,907
	15,739	577,293	611,696	38,790	–	70,289	1,313,807

43. 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
Debt securities:							
Available-for-sale financial assets	–	–	–	–	–	7,298	7,298
Financial assets at fair value through profit or loss	217,905	–	–	–	–	–	217,905
Debtors and deposits	361	328,177	72,618	30,498	44	37,091	468,789
Restricted cash	18,187	48,006	–	–	–	–	66,193
Cash and bank balances	581,235	1,030,080	–	–	–	–	1,611,315
	817,688	1,406,263	88,144	30,498	44	44,389	2,387,026
Liabilities							
Bank and other borrowings	–	68,552	47,951	1,950,552	–	–	2,067,055
Creditors, accruals and deposits received	–	175,575	280,806	3,206	–	171,584	631,171
Derivative financial instruments	–	326	977	1,953	–	–	3,256
Other financial liabilities	35,713	–	–	98,919	–	–	134,632
Bankers' guarantee	–	7,950	7,412	29,048	–	–	44,410
	35,713	252,403	337,146	2,083,678	–	171,584	2,880,524

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.

43. 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	After 5 years HK$'000	Undated HK$'000	Total HK$'000
At 31st March, 2014							
Assets							
Amounts due from subsidiaries	**–**	**–**	**–**	**–**	**–**	**598,195**	**598,195**
Debt securities:							
Available-for-sale financial assets	**–**	**–**	**–**	**–**	**–**	**7,298**	**7,298**
Debtors and deposits	**–**	**474**	**–**	**–**	**–**	**1,258**	**1,732**
Cash and bank balances	**11,580**	**919,345**	**–**	**–**	**–**	**–**	**930,925**
	11,580	**919,819**	**–**	**–**	**–**	**606,751**	**1,538,150**
Liabilities							
Bank loans	**–**	**365,000**	**287,000**	**–**	**–**	**–**	**652,000**
Creditors, accruals and deposits received	**–**	**737**	**–**	**–**	**–**	**4,117**	**4,854**
	–	**365,737**	**287,000**	**–**	**–**	**4,117**	**656,854**
At 31st March, 2013							
Assets							
Amounts due from subsidiaries	–	–	–	–	–	659,016	659,016
Debt securities:							
Available-for-sale financial assets	–	–	–	–	–	7,298	7,298
Debtors and deposits	–	355	–	–	–	1,503	1,858
Cash and bank balances	12,406	908,870	–	–	–	–	921,276
	12,406	909,225	–	–	–	667,817	1,589,448
Liabilities							
Bank loans	–	31,000	41,000	832,000	–	–	904,000
Creditors, accruals and deposits received	–	455	–	–	–	31,036	31,491
Guarantees given to banks in connection with facilities granted to subsidiaries	1,126,676	–	–	–	–	–	1,126,676
	1,126,676	31,455	41,000	832,000	–	31,036	2,062,167

43. 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 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 (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$'000**	Increase/ (Decrease) In basis points	Increase/ (Decrease) in profit before tax HK$'000 (Restated)
Group				
Hong Kong dollar	**+50**	**(1,761)**	+50	(2,606)
United States dollar	**+50**	**457**	+50	738
Singapore dollar	**+50**	**959**	+50	1,941
Renminbi	**+50**	**4,180**	+50	1,585
Hong Kong dollar	**–50**	**1,761**	–50	2,606
United States dollar	**–50**	**(457)**	–50	(738)
Singapore dollar	**–50**	**(959)**	–50	(1,941)
Renminbi	**–50**	**(4,180)**	–50	1,585
Company				
Hong Kong dollar	**+50**	**703**	+50	169
United States dollar	**+50**	**4**	+50	154
Singapore dollar	**+50**	**172**	+50	657
Renminbi	**+50**	**3,725**	+50	2,654
Hong Kong dollar	**–50**	**(703)**	–50	(169)
United States dollar	**–50**	**(4)**	–50	(154)
Singapore dollar	**–50**	**(172)**	–50	(657)
Renminbi	**–50**	**(3,725)**	–50	(2,654)

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

(d) Foreign currency risk

Foreign currency risk is the risk to earnings or capital arising from movements of foreign exchange rates. The Group's foreign currency risk primarily arises from currency exposures originating from its 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.)	**1,894**	4,426
— weakened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	**(1,894)**	(4,426)
Singapore dollar against Hong Kong dollar		
— strengthened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	**1,034**	3,942
— weakened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	**(1,034)**	(3,942)
Renminbi against Hong Kong dollar		
— strengthened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	**22,355**	16,190
— weakened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	**(22,355)**	(16,190)
Company		
United States dollar against Hong Kong dollar		
— strengthened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	**22**	925
— weakened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	**(22)**	(925)
Singapore dollar against Hong Kong dollar		
— strengthened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	**1,032**	3,942
— weakened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	**(1,032)**	(3,942)
Renminbi against Hong Kong dollar		
— strengthened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	**22,349**	15,923
— weakened 3 per cent. (period ended 31st March, 2013 — 3 per cent.)	**(22,349)**	(15,923)

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

(d) Foreign currency risk *(continued)*

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$90,819,000 (31st March, 2013 — HK$114,080,000, 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 20) and financial assets at fair value through profit or loss (Note 25) 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.

43. 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 other	**–**	**101**	–	138
	–	**101**	–	4,815
Financial instruments at fair value through profit or loss				
Hong Kong	**2,601**	**–**	2,710	–
Republic of Singapore	**3,081**	**–**	4,169	–
Australia	**559**	**–**	1,105	–
Global and other	**–**	**–**	218	–
	6,241	**–**	8,202	–

* 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.

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.

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

(f) Capital management *(continued)*

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 *(Note 27)*	**697,147**	2,037,744
Less: Non-controlling interests in bank and other borrowings	**(27,395)**	(22,029)
Bank and other borrowings, net of non-controlling interests	**669,752**	2,015,715
Equity attributable to equity holders of the Company	**4,141,680**	4,754,320
Gearing ratio	**16.2 per cent.**	42.4 per cent.

44. 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.

45. 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.

46. 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
Grand Vista Limited	British Virgin Islands	US$1	100	100	Investment holding
Hongkong China Treasury Limited	British Virgin Islands/ Hong Kong	US$1	100	100	Securities investment
Kingz Ltd	British Virgin Islands	US$1	100	100	Investment holding
Rich Pride Holdings Limited	British Virgin Islands	US$1	100	100	Investment holding
Tamsett Holdings Limited	British Virgin Islands	US$1	100	100	Investment holding
Win Joyce Limited	Hong Kong	HK$2	100	100	Money lending and investment holding
Admiralty Development Limited	Hong Kong	HK$446,767,129	–	100	Property investment
Apexwin Limited	British Virgin Islands	US$1	–	100	Investment holding
Ardent Properties Pty Limited**	Australia	A$10	–	100	Property investment
Bestbeat Limited	British Virgin Islands	US$1	–	100	Investment holding
Blueway Limited	Hong Kong	HK$1	–	100	Investment holding
Bondlink Investment Limited	Hong Kong	HK$100 and HK$2 non-voting deferred shares	–	100	Property investment
Broadwell Asia Limited	British Virgin Islands	US$1	–	100	Property investment
Cajan Enterprises Limited	British Virgin Islands	US$1	–	100	Investment holding
Capital Fusion Investments Limited	British Virgin Islands	US$1	–	100	Financing
Caross Limited	British Virgin Islands	US$1	–	100	Investment holding

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
Carvio Limited	British Virgin Islands	US$1	–	100	Investment holding
Castar Assets Limited	British Virgin Islands	US$1	–	100	Property investment
Celestial Fortune Limited	British Virgin Islands	US$1	–	100	Investment holding
Chalton Assets Limited	British Virgin Islands	US$1	–	100	Property investment
China Chance Investments Limited	Hong Kong	HK$1	–	100	Investment holding
China Gold Pte. Ltd.**	Republic of Singapore	S$1	–	100	Investment holding
China Pacific Electric Limited	British Virgin Islands	US$100	–	100	Investment holding
Chung Po Investment and Development Company Limited	Hong Kong	HK$1,000 and HK$2,000,000 non-voting deferred shares	–	100	Investment holding
Dragon Board Holdings Limited	British Virgin Islands	S$1	–	100	Investment holding
Energetic Holdings Limited	British Virgin Islands	US$1	–	100	Property investment
Ethnos Ltd.**	Israel	NIS100	–	100	Property holding
Fortune Finance Investment Limited	British Virgin Islands	US$1	–	100	Investment
Frontop Limited	British Virgin Islands	US$1	–	100	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*	–	100	Property management

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
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*	–	100	Property investment and property development
Gabarro Limited	British Virgin Islands	US$1	–	100	Investment holding
Golden Platform Holdings Limited	British Virgin Islands	US$1	–	100	Investment holding
Golden Rain Holdings Limited	British Virgin Islands	US$1	–	100	Investment holding
Golden Super Holdings Limited	British Virgin Islands	US$1	–	100	Investment
Goldmax Pacific Limited	British Virgin Islands	US$1	–	100	Investment holding
Gothic Investments Limited	Samoa	US$1	–	100	Property investment
Grandtop Pacific Limited	British Virgin Islands	US$1	–	100	Investment holding
HKCL Investments Pte. Ltd.**	Republic of Singapore	S$2	–	100	Property development
Istan Assets Limited	British Virgin Islands	US$1	–	100	Property investment
Jivas Pacific Limited	British Virgin Islands	US$1	–	100	Investment holding
Keytime Holdings Limited	British Virgin Islands	US$1	–	100	Property investment
LCR Ltd.	British Virgin Islands	US$1	–	100	Intellectual property
LCR Management Limited	Hong Kong	HK$1	–	100	Management services
Laurel Century Limited	British Virgin Islands	US$1	–	100	Investment holding
Lippo Consortium Pte. Limited**	Republic of Singapore	S$2	–	100	Property development
Lippo Energy Group Limited	British Virgin Islands	US$1	–	100	Investment holding

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
Lippo Group International Pte. Limited**	Republic of Singapore	S$2	–	100	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*	–	100	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*	–	100	Property development
Lippo Resources Investments Limited	British Virgin Islands	US$1	–	100	Investment holding
Lippo Retail Holdings Limited	British Virgin Islands	US$1	–	100	Investment holding
Lippoland (Singapore) Pte. Ltd**	Republic of Singapore	S$2,000,000	–	100	Investment holding
Mantor Assets Limited	British Virgin Islands	US$1	–	100	Property investment
Masstrong Limited	Hong Kong	HK$1	–	100	Investment holding
Maxfit Holding Limited	British Virgin Islands	US$1	–	100	Investment holding
Netscope Limited	British Virgin Islands	US$1	–	100	Investment
PacNet Holdings Limited	British Virgin Islands	US$1	–	100	Investment holding
PacNet Capital (U.S.) Limited	United States of America	US$0.281	–	100	Investment holding
Pantogon Holdings Pte Ltd**	Republic of Singapore	S$1,000,000	–	100	Investment holding
Polarstar Capital Limited	British Virgin Islands	US$1	–	100	Investment
Porbandar Limited	British Virgin Islands/ Hong Kong	US$2	–	100	Property investment

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
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*	–	100	Property services
Queenz Limited	British Virgin Islands	US$1	–	100	Investment holding
Radical Profits Limited	British Virgin Islands	US$1	–	100	Property investment
Reiley Inc.	British Virgin Islands	US$1	–	100	Investment holding
Sanfield Australia Pty Ltd**	Australia	A$2	–	100	Investment holding
Star Trendy Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property holding
Starrico Limited	British Virgin Islands	US$1	–	100	Investment holding
Starvex Limited	British Virgin Islands	US$1	–	100	Investment
Super Assets Company Limited	Samoa	US$1	–	100	Investment holding
Super Equity International Limited	British Virgin Islands	US$1	–	100	Investment holding
Superform Investment Limited	Hong Kong	HK$100 and HK$2 non-voting deferred shares	–	100	Property investment
Superonic Limited	British Virgin Islands	US$1	–	100	Investment holding
Topstar China Limited	Hong Kong	HK$1	–	100	Investment holding
Trefar Enterprises Limited	British Virgin Islands	US$1	–	100	Property investment
Vitaland Limited	Hong Kong	HK$1	–	100	Investment holding

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
West Tower Holding Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Property investment
Wollora Assets Limited	British Virgin Islands	US$1	–	100	Property investment
World Grand Holding Limited	British Virgin Islands	US$1	–	100	Investment
Writring Investments Limited	Hong Kong	HK$2	–	100	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*	–	100	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	–	80.9@	Investment
Jeremiah Holdings Limited	British Virgin Islands	S$1,298,645	–	60	Investment holding
Asia Now Resources Corp.** *(listed on TSX Venture Exchange of Canada)*	Canada	C$30,430,020	–	49.9	Exploration of mineral resources
Nine Heritage Pte Ltd**	Republic of Singapore	S$1,000,000	–	48	Investment holding
Auric Pacific Group Limited** *(listed on Singapore Exchange Securities Trading Limited)*	Republic of Singapore	S$64,460,182	–	39.4	Investment holding
APG Foods Pte Ltd**	Republic of Singapore	S$50,000,000	–	39.4	Investment holding

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 Food Industries Pte Ltd**	Republic of Singapore	S$54,400,000	–	39.4	General wholesale trade in food products
Auric Pacific Marketing Pte Ltd**	Republic of Singapore	S$10,000,000	–	39.4	General wholesale trade and retail
Centurion Marketing Pte Ltd**	Republic of Singapore	S$500,000	–	39.4	Wholesale of other specific commodities
Auric Pacific Food Retail Pte. Ltd.**	Republic of Singapore	S$1	–	39.4	Investment holding
Edmontor Investments Pte Ltd**	Republic of Singapore	S$47,367,335	–	39.4	Investment holding and wholesale trade
Delifrance Asia Ltd**	Republic of Singapore	S$180,581,000	–	39.4	Management and holding company, development and sale of franchising activities
Delifrance Singapore Pte Ltd**	Republic of Singapore	S$4,000,002	–	39.4	Manufacture and sale of French bakery and pastry products and operation of café-bakeries, bakery corners and restaurants
Delifrance (HK) Ltd**	Hong Kong	HK$12,000,000	–	39.4	Manufacture and sale of French bakery and pastry products and operation of café-bakeries, bakery corners and restaurants

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 (Malaysia) Sdn. Bhd.**	Malaysia	RM7,500,000	–	39.4	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*	–	39.4	Manufacture and sale of bakery and pastry products and the operation of café-bakeries
Auric Pacific (M) Sdn. Bhd.**	Malaysia	RM1,000,000	–	39.4	Marketing and distribution of food products
Auric Chun Yip Sdn. Bhd.**	Malaysia	RM12,000,000	–	39.4	Supply of bakery, confectionery materials and other general products
Auric Pacific Food Processing Sdn. Bhd.**	Malaysia	RM1,200,000	–	39.4	Manufacturer of and dealer in butter, margarine and related confectionery products
Cuisine Continental (HK) Limited**	Hong Kong	HK$3,000,000	–	39.4	Retailing of food and beverage products and services
Auric Pacific Investment Holdings Pte. Ltd.**	Republic of Singapore	S$2	–	39.4	Investment holding in technology related companies
Auric Pacific Investment Pte. Ltd.**	Republic of Singapore	S$2	–	39.4	Investment holding
APG Strategic Investment Pte. Ltd.**	Republic of Singapore	S$1	–	39.4	Investment holding

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 Property Pte Ltd**	Republic of Singapore	S$10,000,000	–	39.4	Holding company
Auric Pacific Realty Pte. Ltd.**	Republic of Singapore	S$1	–	39.4	Property developers and investment
Auric Pacific Dairy (Foshan) Limited**	British Virgin Islands	US$2	–	39.4	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*	–	39.4	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*	–	39.4	Food and beverage management
Food Junction Holdings Limited**	Republic of Singapore	S$14,296,468.20	–	38.5	Investment holding and provision of management services to its subsidiaries, fast food restaurants and general wholesale trade
Malones Holdings Pte. Ltd.**	Republic of Singapore	S$1,000	–	38.5	Investment holding
Food Junction International Pte Ltd**	Republic of Singapore	S$400,000	–	38.5	Fast food restaurants and general wholesale trade
Food Junction Management Pte Ltd**	Republic of Singapore	S$1,489,000	–	38.5	Food courts and fast food restaurants, and general wholesale trade

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
Star Party Pte. Ltd.**	Republic of Singapore	S$200,000	–	38.5	Sale of food and beverages
Lifestyle Dining Pte. Ltd.**	Republic of Singapore	S$200,000	–	38.5	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*	–	38.5	Management and operation of restaurants in Shanghai
All Around Limited**	British Virgin Islands	HK$31,000,000	–	38.5	Investment holding
LCR Catering Services Limited**	Hong Kong	HK$9,000,000	–	34.7	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	–	38.5	Management of food courts and operation of food outlets
PT FJ Square Indonesia**	Indonesia	US$400,000	–	38.5	Management of food courts and operation of food outlets
T & W Food Junction Sdn. Bhd.**	Malaysia	RM500,000	–	38.5	Management of food courts and operation of food outlets
Food Junction Singapore Pte Ltd.**	Republic of Singapore	S$400,000	–	38.5	Fast food restaurants and general wholesale trade

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
Zutis Pte. Ltd.**	Republic of Singapore	S$200,000	–	38.5	Sale of food and beverages, and management of restaurants, cafes and bars
Eggs & Berries Pte. Ltd.**	Republic of Singapore	S$1,000	–	38.5	Investment holding
Medzs Pte. Ltd.**	Republic of Singapore	S$1,000	–	38.5	Investment holding
Medzs (Singapore) Pte. Ltd.**	Republic of Singapore	S$200,000	–	38.5	Sale of food and beverages
The Boxing Crab Pte. Ltd.**	Republic of Singapore	S$200,000	–	38.5	Sale of food and beverages
Wan Style Pte. Ltd.**	Republic of Singapore	S$1,000	–	38.5	Investment holding
Wan Style (Singapore) Pte. Ltd.**	Republic of Singapore	S$200,000	–	38.5	Sale of food and beverages
Eggs & Berries (Singapore) Pte. Ltd.**	Republic of Singapore	S$500,000	–	38.5	Sale of food and beverages

\# *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
NIS — New Israeli shekels
RM — Malaysian ringgits
RMB — People's Republic of China renminbi
S$ — Singapore dollars
US$ — United States dollars

Save for C$1,248,000 senior unsecured convertible debentures issued by Asia Now Resources Corp., a subsidiary of the Company, to China Gold Pte. Ltd., a wholly-owned 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
Lippo-Savills Property Management Limited	Corporate	Hong Kong	HK$2	50	Property management services
Maxipo International Limited	Corporate	Hong Kong	HK$64,595,748	48.8	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*	40	Water supply
DXS Capital Limited	Corporate	British Virgin Islands	US$100	40	Investment holding
Catalyst Enterprises Limited	Corporate	British Virgin Islands	US$50,000	35	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*

Note:

RMB — People's Republic of China renminbi
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*	Principal activities
Tanglin Residential Pte. Ltd.	Corporate	Republic of Singapore	S$2	50	Property investment and property development
Delifrance Singapore Wholesale Pte. Ltd.	Corporate	Republic of Singapore	S$800,000	19.3	Wholesale of French bakery and pastry products

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

Note:

S$ — Singapore dollars

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	35.9	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	28.7	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	Status	Percentage of Group's interest
		(square metres)		
Hong Kong				
Lippo Centre 89 Queensway Central Inland Lot No. 8615*	Commercial	Office: 3,911# Retail: 1,935 (net floor area)	Rental	100

* *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.

Description	Use	Approximate gross floor area	Status	Percentage of Group's interest
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	100
19th Floor to 29th Floor and 13 car parking spaces of Lippo Tianma Plaza 1 Wuyibei Road Fuzhou, Fujian	Commercial	11,955	Rental	100

The above properties are held under medium term leases.

Description	Use	Approximate gross floor area	Status	Percentage of Group's interest
Overseas				
10 Harav Agan Street Jerusalem Block 30050 Parcel 101 Israel	Commercial	940	Rental	100

The above property is freehold.

(2) PROPERTIES HELD FOR SALE AS AT 31ST MARCH, 2014

Description	Use	Approximate site area	Approximate gross floor area	Percentage of Group's interest
			(square metres)	
Overseas				
Unit #03-03 The Residences Katana 20 Jalan Madge 55000 Kuala Lumpur Malaysia	Residential	N/A	360	100
2 units at Rosehill 8–16 Virginia Street New South Wales Australia	Residential	N/A	346	100

(3) PROPERTIES HELD FOR DEVELOPMENT AS AT 31ST MARCH, 2014

Description	Use	Approximate site area	Approximate gross floor area	Percentage of Group's interest	Estimated completion date	Stage of development as at 31st March, 2014
		(square metres)	*(square metres)*			
People's Republic of China						
South of Heping Road and west of Xiangyu Avenue Qinghe District Huai An Jiangsu Land Lot No. 32080200600100004000	Multi-use	41,087	250,000	100	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	100	2016/2017	In planning stage
Tati City Shanting Township Putian, Fujian	Multi-use	1,292,400	150,963	100	N/A	Phase I completed

(4) PROPERTIES HELD AS FIXED ASSETS AS AT 31ST MARCH, 2014

Description	Use	Approximate gross floor area	Approximate percentage of Group's interest
		(square metres)	
Hong Kong			
24th Floor of Tower One Lippo Centre 89 Queensway Central Inland Lot No. 8615	Commercial	1,307	100
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	100
3 units and 3 car parking spaces of Celestial Garden 5 Repulse Bay Road Rural Building Lot No. 979	Residential	660	100

The above properties are held under long term leases.

(4) PROPERTIES HELD AS FIXED ASSETS AS AT 31ST MARCH, 2014 *(continued)*

Description	Use	Approximate gross floor area	Approximate percentage of Group's interest
		(square metres)	
People's Republic of China			
SanShui Jingkou Oversea Economic Zone (cattle farm) Dong He Liang Wu Village (Zi Gang) Sanshui Foshan Guangdong	Commercial	233,333	39.4
The above property is held under long term lease.			
Overseas			
2 Senoko Avenue Singapore 758298 Lot No. MK13-2293K	Commercial	7,387	39.4
2 Enterprise Road Singapore 629814 Lot No. 354 Mukim 6	Commercial	14,085	39.4
202 Pandan Loop Singapore 128390 Lot No. MK5-6304L	Commercial	2,602	39.4

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 attributable to equity holders of the Company	**124,389**	293,364	316,735	758,940	356,307
Total assets	**6,488,942**	9,344,450	6,838,046	6,551,620	5,850,931
Total liabilities	**(1,590,602)**	(3,625,977)	(2,196,628)	(2,061,184)	(2,259,614)
Net assets	**4,898,340**	5,718,473	4,641,418	4,490,436	3,591,317
Non-controlling interests	**(756,660)**	(964,153)	(42,003)	(174,037)	(117,459)
Equity attributable to equity holders of the Company	**4,141,680**	4,754,320	4,599,415	4,316,399	3,473,858

Lippo China Resources Limited

力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 156)