Lippo Limited
力寶有限公司

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

2014/2015
ANNUAL REPORT

Contents

Corporate Information

HONORARY CHAIRMAN*
Dr. Mochtar Riady

BOARD OF DIRECTORS
Executive Directors
Dr. Stephen Riady *(Chairman)*
Mr. John Luen Wai Lee, BBS, JP
(Managing Director and Chief Executive Officer)

Non-executive Directors
Mr. Jark Pui Lee, SBS, OBE, JP
Mr. Leon Nim Leung Chan

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

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

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

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

SECRETARY
Mr. Davy Kwok Fai Lee

AUDITORS
Ernst & Young

PRINCIPAL BANKERS
China CITIC Bank International Limited
Chong Hing Bank Limited
Fubon Bank (Hong Kong) Limited
Bank of Beijing Co., Ltd.
The Bank of East Asia, Limited

SOLICITORS
Howse Williams Bowers

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

REGISTERED OFFICE
24th Floor, Tower One
Lippo Centre
89 Queensway
Hong Kong

STOCK CODE
226

WEBSITE
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* *non-officer position*

Chairman's Statement

I am pleased to present the annual report of the Company (together with its subsidiaries, the "Group") for the year ended 31st March, 2015 (the "Year").

The performance of the Group was satisfactory for the Year. It recorded a consolidated profit attributable to shareholders of approximately HK$552.2 million for the Year, as compared to a consolidated profit of HK$112.2 million for the year ended 31st March, 2014. Hongkong Chinese Limited and Lippo China Resources Limited, the two principal subsidiaries of the Company, have been the main contributors to the profit for the Year. The Group shared profit of joint ventures arising mainly from revaluation gain on investment properties and recognition of profit from pre-sale upon completion of a property development project of a principal joint venture of the Group. The Group also recorded the gain on disposal of subsidiaries following the strategic review of the Group's assets for maximising return to the shareholders. The above disposals allowed the Group to realise its investments and free up capital for operation and potential new investment opportunities that may arise in the future. With a strong financial position, the Group is well positioned to take advantage of any suitable new investment opportunities that complement our strategy to maximise shareholders' returns.

Although the external environment remains challenging, the Group will continue to invest in people and businesses to generate or seize growth opportunities. The Group is committed to corporate governance and will continually enhance its processes and procedures to ensure that its investments are protected.

As a gesture of our appreciation to our shareholders, the Directors have proposed a final cash dividend of HK10 cents per share for the Year. Together with the interim dividend of HK3 cents per share, total dividends for the Year will be HK13 cents per share.

On behalf of the Board of Directors of the Company (the "Board"), I would like to thank our shareholders and stakeholders for their support of the Group. I would also like to take this opportunity to thank my fellow Directors for their invaluable advice and guidance. On behalf of the Board, I would like to thank the management team and all staff members for their diligent work and dedication during the Year. We would continue our efforts to create value for our shareholders and stakeholders.

Stephen Riady
Chairman

29th June, 2015

Report of the Directors

The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 31st March, 2015 (the "Year").

BUSINESS REVIEW

Overview

The U.S. economy performed better with stronger private consumption, business investments and exports during 2014. With the global economy recovering gradually, the major stock markets in U.S. and Europe continued to perform well in the first quarter of 2015. However, it was overall a steady but modest economic recovery. The economic growth of mainland China slowed down during the year under review, with a GDP growth rate of approximately 7 per cent. in the first quarter of 2015, the lowest since the financial crisis. It is expected to continue to decelerate modestly, with the slowdown buffered by scaled-up monetary and fiscal policies.

Results for the Year

The Company (together with its subsidiaries, the "Group") recorded a consolidated profit attributable to shareholders of approximately HK$552.2 million for the Year, as compared to a consolidated profit of HK$112.2 million for the year ended 31st March, 2014 (the "Last Year" or "2014"). Hongkong Chinese Limited ("HKC", together with its subsidiaries, the "HKC Group"), a 65.8 per cent. listed subsidiary of the Company, recorded a consolidated profit attributable to shareholders of approximately HK$364.0 million for the Year, as compared to a consolidated profit of approximately HK$313.6 million for the Last Year. Lippo China Resources Limited ("LCR", together with its subsidiaries, the "LCR Group"), a 71.2 per cent. listed subsidiary of the Company, recorded a consolidated profit attributable to shareholders of approximately HK$399.2 million for the Year, as compared to a consolidated profit of approximately HK$124.4 million for the Last Year. The profit for the Year was mainly attributable to the gain on disposal of subsidiaries and share of profit of joint ventures arising mainly from revaluation gain on investment properties and recognition of profit from pre-sale upon completion of a property development project of a principal joint venture of the Group.

Revenue for the Year totalled HK$2,974 million (2014 — HK$6,732 million). The decrease in the Group's revenue was mainly because the new property development project completed during the Year was carried out by its joint venture, revenue of which was not accounted for. Food businesses and property investment and development businesses were the principal sources of revenue of the Group, representing respectively 88 per cent. (2014 — 37 per cent.) and 6 per cent. (2014 — 60 per cent.) of total revenue.

Property investment

The Group's investment properties are located mainly in Hong Kong and mainland China and provide recurring income to the Group.

The Group undertakes strategic review of its assets from time to time for maximising return to its shareholders, which may include possible sale of certain properties held for investment purposes. In April 2014 and March 2015, the LCR Group completed the disposal of its interest in the entire office on 42nd Floor and 43rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong for an aggregate consideration of approximately HK$282.6 million and HK$252.9 million, respectively. In October 2014, the LCR Group completed the disposal of its entire interest in Chung Po Investment and Development Company Limited which, through its wholly-owned subsidiary, owned the property at 4 Shuiwan Road, Gongbei, Zhuhai City, Guangdong Province, mainland China for an aggregate consideration of HK$1,278.3 million. The above disposals allowed the LCR Group to realise its investments and free up capital for operation and any potential new investment opportunities that might arise in the future.

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Property investment (continued)

The disposal of the above properties gave rise to a non-recurring gain of approximately HK$800 million (2014 — HK$204 million, mainly from the disposal of the properties at Lippo Plaza in Shanghai). Accordingly, the Group's investment properties decreased to approximately HK$1.5 billion as at 31st March, 2015 (31st March, 2014 — HK$2.4 billion).

As a result of the series of disposals completed during the Year and the absence of contribution from the properties at Lippo Plaza in Shanghai which were disposed of by the Group in January 2014, total segment revenue from the property investment business for the Year decreased to HK$71 million (2014 — HK$208 million). On the other hand, coupled with the gain on disposals and the net fair value gain on investment properties for the Year, the segment profit increased to HK$902 million for the Year (2014 — HK$396 million) before accounting for the results from the Group's joint ventures.

Lippo ASM Asia Property Limited ("LAAPL"), a principal joint venture of HKC, is the vehicle holding the controlling interest of OUE Limited ("OUE", together with its subsidiaries, the "OUE Group"), a listed company in Singapore principally engaged in property investment and development and hotel operation. As at 31st March, 2015, LAAPL had an aggregate equity interest of approximately 68.02 per cent. in OUE.

With its interest in well diversified and high quality properties such as U.S. Bank Tower in California, U.S. and One Raffles Place, OUE Bayfront and OUE Downtown in Singapore, the OUE Group has substantial and stable recurrent income stream. In line with the OUE Group's track record in active value creation, asset enhancement projects at OUE Downtown and U.S. Bank Tower are well underway. The revamped retail mall, One Raffles Place, commenced operation in May 2014.

OUE Hospitality Trust ("OUE H-Trust"), a real estate investment trust established by OUE in 2013, is listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Its initial portfolio included Mandarin Orchard Singapore and Mandarin Gallery in Singapore. In January 2015, OUE H-Trust completed the acquisition of Crowne Plaza Changi Airport Hotel (the "Hotel") from OUE at a consideration of S$290 million. Agreement was also reached for OUE H-Trust to acquire the 10-storey extension building to the Hotel (the "Hotel Extension") from OUE at a consideration of S$205 million, and completion will take place later upon completion of the construction works of the Hotel Extension in late 2015 or no later than June 2016. The development of the Hotel Extension began in August 2014 and will add 243 rooms to the existing 320 rooms upon completion. As at 31st March, 2015, LAAPL and its subsidiaries held approximately 42.3 per cent. of the total number of stapled securities units of OUE H-Trust in issue and OUE H-Trust was accounted for as a subsidiary of LAAPL. With the listing of OUE H-Trust and by retaining a stake in OUE H-Trust, it is expected that LAAPL will benefit from a stable and recurring income stream.

OUE Commercial Real Estate Investment Trust ("OUE C-REIT") was established by OUE in early 2014 and is listed on the Main Board of the SGX-ST. Its property portfolio includes OUE Bayfront, an 18-storey office building in Singapore with its ancillary properties as well as the properties at Lippo Plaza in Shanghai. By establishing OUE C-REIT, LAAPL will be able to diversify and expand into new geographical areas. As at 31st March, 2015, LAAPL and its subsidiaries held approximately 48.2 per cent. of the total number of OUE C-REIT units in issue and OUE C-REIT was accounted for as a subsidiary of LAAPL.

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Property investment (continued)

Results of OUE H-Trust and OUE C-REIT were consolidated into the results of LAAPL during the Year. Furthermore, OUE has successfully obtained the temporary occupation permit for its residential property development named "Twin Peaks" in Singapore and hence the pre-sale profit from the development was recognised by LAAPL during the Year.

The Group registered a share of profit of HK$369 million from the investment in LAAPL for the Year (2014 — share of loss of HK$527 million). Such share of profit recognised for the Year was mainly attributable to the net fair value gain on investment portfolio and profit from the pre-sold units of a property development project in Singapore upon completion during the Year.

Affected by the depreciation of the Singapore dollar starting from 2015, the Group shared a decrease in exchange reserves on translation of LAAPL's results of HK$545 million (2014 — HK$125 million) during the Year. As a result, the total interests in LAAPL decreased slightly from HK$7.8 billion as at 31st March, 2014 to HK$7.7 billion as at 31st March, 2015.

In May 2015, the Group advanced a loan of approximately S$54 million (equivalent to approximately HK$310 million) to a subsidiary of LAAPL and made equity subscription in LAAPL in proportion to its existing interest in LAAPL for a consideration of approximately S$23 million (equivalent to approximately HK$135 million). The proceeds have been applied to repay part of the indebtedness under LAAPL and for working capital purposes.

In June 2015, the OUE Group has entered into a framework agreement with the other shareholder of OUB Centre Limited ("OUBC") to acquire additional of not less than 25 per cent. and up to 33.33 per cent. interest in OUBC (the "Proposed Acquisition"). OUBC is holding a majority interest in One Raffles Place and the OUE Group in turn is currently holding 50 per cent. interest in OUBC. The consideration for the Proposed Acquisition shall be determined with reference to the net asset value of OUBC and an agreed value ascribed to One Raffles Place which owned by OUBC fixed at S$1.74 billion plus an amount equivalent to S$11.7 million. In addition, OUE entered into a conditional sale and purchase agreement with OUE C-REIT for the sale thereto of its entire interest in OUBC, subject to the completion of the Proposed Acquisition, representing a minimum of 75 per cent. and up to a maximum of 83.33 per cent. interest in OUBC (the "Proposed Disposal"). The consideration for the Proposed Disposal is between approximately S$1 billion and S$1.1 billion. The Proposed Disposal is subject to, among other things, the approval of the shareholders of OUE and the approval of the unitholders of OUE C-REIT. The injection of the shareholding interest in One Raffles Place to OUE C-REIT will enable OUE to unlock capital while continuing to enjoy rental income and potential capital value upside through its significant unitholding interest in OUE C-REIT.

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Property investment (continued)

The Group together with other joint venture partners (the "Consortium"), namely OUE and Caesars Entertainment Corporation ("Caesars"), a company listed on the NASDAQ Stock Market, plans to design, develop, construct and own an integrated resort located in Incheon, Korea which will include, inter alia, gaming facility, hotels, conference facility and service apartments (the "IR Project"). The joint venture entity is intended to be owned as to 20 per cent. by the Group and as to 40 per cent. by each of OUE and Caesars. In March 2014, the Consortium received a favourable review with respect to the preliminary approval for its reapplication from the Ministry of Culture, Sports and Tourism of the Republic of Korea, subject to compliance with certain conditions. The IR Project is subject to the satisfaction of a number of conditions, including without limitation, the Group's entry into definitive agreement governing the IR Project with OUE and Caesars, the Consortium's compliance with preliminary approval conditions, and obtaining third party financing, in each case on mutually agreeable terms and receipt of all regulatory permits and licences required for the development and operation of the IR Project. In December 2014, the Group together with other members of the Consortium entered into a conditional land sale and purchase agreement in relation to the proposed purchase of certain land lots of approximately 89,171.4 square metres in aggregate comprising of Phase 1 land of approximately 38,237.6 square metres and Phase 2 land of approximately 50,933.8 square metres located within the MIDAN City, Incheon, Korea for a total consideration of US$95.86 million, of which the amount to be allocated to be payable by the Group is approximately US$35.6 million (being 20 per cent. of Phase 1 land purchase price and 50 per cent. of Phase 2 land purchase price). The IR Project is proposed to be located on the Phase 1 land. Discussion and planning in respect of the IR Project are in progress.

Property development

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

The segment recorded a revenue of HK$124 million for the Year (2014 — HK$3,844 million), mainly from the sale of properties of the property development project at the Beijing Economic-Technological Development Area (北京經濟技術開發區) in Beijing (the"BDA Project"). The HKC Group has an 80 per cent. interest in the BDA Project which was completed in the second half of 2013, and the substantial revenue generated from units sold was recognised during the year ended 31st March, 2014. The BDA Project involves the development of an integrated residential, commercial and retail complex with a total gross floor area of about 275,000 square metres, including basements. The sale and handover of approximately 93 per cent. of the total saleable area of the BDA Project was completed as at 31st March, 2015.

Since no new property development was completed by the Group during the Year, the segment revenue decreased significantly.

Interior fitting-out works of "M Residences" at 83 Estrada de Cacilhas, Macau, in which the HKC Group has a 100 per cent. interest, have been substantially completed. "M Residences", with a site of approximately 3,398 square metres, is being developed into 311 residential units with a total saleable area of approximately 26,025 square metres. As at 31st March, 2015, about 96 per cent. of the total saleable area pre-sold at an aggregate consideration of HK$1.2 billion. All the site works had been completed. The revenue and profit arising from this project is expected to be reflected in the Group's results for the year ending 31st March, 2016.

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Property development (continued)

Construction work planning for the two development projects located at Huai An City and Taizhou City in Jiangsu Province, mainland China has been completed. The project situated in Huai An City (the "Huai An Project") will be developed into an integrated residential, commercial and retail complex with a total gross floor area of approximately 250,000 square metres on a site of approximately 41,000 square metres. The other 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. In view of the poor market conditions in the region, the LCR Group intends to reschedule the development of the above projects. Provision for impairment of properties under development for the Huai An Project of approximately HK$60 million was made for the Year (2014 — Nil). As a result, the segment reported a loss of HK$29 million for the Year (2014 — profit of HK$1,630 million).

"Marina Collection", in which the HKC Group has a 50 per cent. interest, is located at Sentosa Cove in Sentosa Island, Singapore. It has 124 high-end luxury waterfront residential units with a total saleable area of approximately 29,808 square metres. The development was completed in 2011 and by 31st March, 2015, a total of 91 units were sold, of which two of which were sold during the Year. The Group further shared a profit of HK$18 million (2014 — HK$35 million) from this associate.

Marketing of the development at 326 Woonbook-dong, Jung-gu, Incheon, Korea (the "MIDAN City Project"), in which the Group has approximately 38.5 per cent. interest, is in progress. The MIDAN City Project involves the development, construction and management of a residential, leisure and business complex with an approved total gross floor area of approximately three million square metres. The project is located in Incheon Free Economic Zone and will be completed in phases. It is intended to be a self-contained community with residential properties, shopping malls, hospital, schools, hotels and a business town. Disposal of certain land lots had been completed. As a result, the Group shared a profit of HK$26 million (2014 — loss of HK$74 million) during the Year.

Food businesses

The Group's food businesses are mainly operated by Auric Pacific Group Limited ("Auric", together with its subsidiaries, the "APG Group"). The shares of Auric are listed on the Main Board of the SGX-ST and the LCR Group is interested in approximately 49.3 per cent. of its issued share capital.

The performance of the APG Group improved during the Year. The segment recorded a revenue of HK$2,627 million (2014 — HK$2,512 million), mainly from wholesale and distribution of fast-moving consumer goods and the food retail operation in chains of bakeries, cafes and bistros. The improved performance was attributable to new products launched and better customer awareness created by increased sales and marketing promotions during the Year.

The APG Group completed the sale of a subsidiary which had interests in rights to use a leasehold land in Foshan, mainland China and a gain on disposal of approximately HK$10.5 million was recognised during the Year. Such disposal is in line with APG Group's objective to focus on its core businesses.

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Food businesses (continued)

The loss of the food businesses segment lowered to HK$8 million during the Year (2014 — HK$137 million). The improvement of the segment results was mainly attributable to non-recurring costs incurred in Last Year with the closures of certain loss-making business, provisions for impairment loss on intangible assets and fixed assets, as part of the APG Group's strategy to streamline the non-performing businesses and to re-align the focus on building sustainable business growth and profit generation.

The APG Group expects the operating environment in the food retail and distribution sectors to remain challenging. Besides stiff competition, the inflationary pressure on wages, cost of raw materials and rental could negatively impact on the APG Group's operational cost and profitability. Therefore, the APG Group is moving forward with cautious optimism through further consolidation, streamlining its operation and continuing to improve its profitability through more active marketing efforts and promotions, expanding sales channels and product offerings as well as controlling operating cost. The APG Group will also continue to explore new business opportunities and new F&B concepts that would be compatible with its growth strategy.

Treasury and securities investments

Treasury and securities investments businesses recorded a revenue of HK$95 million during the Year (2014 — HK$99 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.

The Group cautiously managed its investment portfolio and looked for opportunities to realise its profit. In Last Year, the Group sold certain available-for-sale financial assets and realised a gain of HK$133 million. Although market sentiment has improved when compared with Last Year, the investment market continues to be challenging and full of uncertainties, resulting in unrealised fair value loss of HK$5 million for the Year (2014 — HK$64 million). Hence the profit from treasury and securities investments businesses decreased to HK$75 million for the Year (2014 — HK$161 million).

Corporate finance and securities broking

Lippo Securities Holdings Limited ("LSHL", a wholly-owned subsidiary of HKC) and its subsidiaries are principally engaged in underwriting, securities brokerage, corporate finance, investment advisory and other related financial services.

The operating environment of the corporate finance and securities broking business remains challenging. Though the major stock markets in U.S. and Europe rebounded during 2014, the stock markets in Hong Kong and mainland China remained sluggish throughout the Year. This segment registered a turnover of HK$21 million for the Year (2014 — HK$30 million) and the loss of this segment was HK$10 million for the Year (2014 — HK$6 million).

The launching of the "Shanghai-Hong Kong Stock Connect" in the fourth quarter of 2014 has helped to boost market sentiment, resulting in increased market turnover of both the local and mainland China stock markets in recent months. This may benefit the performance of LSHL. The outlook for the local stock market will be dependent on the market conditions in mainland China and global economic development, especially in U.S. and Europe.

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Banking business

The Macau Chinese Bank Limited ("MCB"), a wholly-owned subsidiary of HKC, maintained steady performance during the Year. The segment recorded a turnover of HK$22 million for the Year (2014 — HK$19 million) and registered a profit of HK$2 million (2014 — HK$2 million).

On 26th June, 2015, the HKC Group entered into sale and purchase agreements with 南粵(集團)有限公司 (Nam Yue (Group) Company Limited) and Mr. Yang Jun (together, the "Purchasers") for the disposal of an aggregate of 49 per cent. interest in the issued share capital of MCB for an aggregate consideration of MOP (Macau Pataca) 441 million (equivalent to approximately HK$428 million). Upon completion, the HKC Group will own 51 per cent. of the issued share capital of MCB and will enter into a shareholders' agreement with the Purchasers and MCB to, among other things, regulate the relationships between shareholders of MCB. After entering into such shareholders' agreement, as a result of the proposed composition of the board of directors of MCB and other terms and in compliance with the current accounting standards, MCB will be accounted for as an associate of the HKC Group and its results, assets and liabilities will cease to be consolidated in the accounts of the HKC Group even though MCB will continue to be a subsidiary of the HKC Group under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The above disposal will bring in strategic shareholders with strong Macau and Guangdong Provincial connections which will help broaden the business horizon and improve the long term growth potential of MCB, which will be beneficial to the HKC Group. Further details of the transaction are set out in the joint announcement of the Company and HKC released on 26th June, 2015.

Mineral exploration and extraction

Asia Now Resources Corp. ("Asia Now"), in which the LCR Group is interested in approximately 52.2 per cent. of its issued share capital, is primarily engaged in the business of exploration of mineral deposits in Yunnan Province, mainland China. It is currently focusing on the exploration of the site at Ma Touwan and Habo in Beiya. Due to the downturn in the junior mining exploration sector and the significant decrease in the current or expected future prices of mineral resources, additional impairment of HK$95 million (2014 — HK$4 million) has been made to the exploration sites in Ma Touwan and Habo. The impairment also accounted for the decrease in the segment assets to HK$38 million as at 31st March, 2015 (31st March, 2014 — HK$153 million).

In April 2015, the LCR Group entered into an arrangement agreement with Asia Now (the "Arrangement Agreement") pursuant to which the LCR Group conditionally agreed to, among other things, acquire all of the issued and outstanding common shares of Asia Now not already owned by the LCR Group for a consideration of $0.02 Canadian dollar ("C$") per share in accordance with and subject to the terms and conditions of the Arrangement Agreement and the plan of arrangement attached thereto (the "Arrangement"). In connection with the above proposed acquisition, the LCR Group provided a secured credit facility to Asia Now in the amount of up to approximately C$1.1 million to fund current working capital and the related expenses for the above acquisition. The above credit facility was secured by general security agreements of Asia Now and its subsidiary Asia Now Resources Limited ("ANRL"), as well as a guarantee by ANRL. The special resolution for approving the Arrangement was not approved by the requisite shareholder approval at a special meeting of shareholders of Asia Now held in June 2015. The LCR Group is now considering action to be taken in relation to the above facility and the Arrangement Agreement.

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Mineral exploration and extraction (continued)

The LCR Group completed a private placement of 19,850,000 new shares at $0.018 Australian dollar ("A$") per share in Haranga Resources Limited ("Haranga") for a total consideration of A$357,300 in December 2014. It also took up 62,478,963 shares in Haranga for an aggregate consideration of approximately A$1.1 million under the rights issue of Haranga at the same price in January 2015. As a consequence, Haranga becomes an associate of the LCR Group. The LCR Group is now interested in 114,798,963 shares, representing approximately 33.6 per cent. of the issued share capital of Haranga. Haranga is a Mongolian focused iron ore exploration and development company listed on the Australian Securities Exchange. Haranga owns 80 per cent. interest in the Selenge project, a large tenement holding in the heart of Mongolia's premier iorn ore province. The Selenge project is strategically located close to rail infrastructure and next to the Eruu Gol mine, the largest iron ore export mine in Mongolia. In June 2015, a subsidiary of Haranga which holds the mineral exploration licenses and pre-mining operations agreement for its Selenge project has been granted a mining license for approximately 3,480 hectares by the Mineral Resources Authority of Mongolia. The mining license is valid for 30 years until 19th June, 2045.

Finance Cost

The Group has significantly reduced the Group's finance costs during the Year to HK$40 million (2014 — HK$121 million) as a result of reduction of the borrowings after the disposal of the subsidiaries.

Financial Position

The Group's financial position remained healthy. As at 31st March, 2015, its total assets amounted to HK$19.3 billion (31st March, 2014 — HK$19.9 billion). Property-related assets amounted to HK$11.7 billion as at 31st March, 2015 (31st March, 2014 — HK$12.8 billion), representing 60 per cent. (31st March, 2014 — 64 per cent.) of the total assets. Total liabilities amounted to HK$4.5 billion (31st March, 2014 — HK$4.5 billion). The Group maintained a strong cash position. Total cash and bank balances as at 31st March, 2015 increased to HK$4.4 billion (31st March, 2014 — HK$4.1 billion). Current ratio as at the end of the reporting period increased to 2.1 (31st March, 2014 — 1.9).

As at 31st March, 2015, bank and other borrowings of the Group (other than those attributable to banking business) increased to HK$1,797 million (31st March, 2014 — HK$1,341 million). Bank loans amounted to HK$1,794 million as at 31st March, 2015 (31st March, 2014 — HK$1,337 million), which comprised secured bank loans of HK$1,756 million and unsecured bank loans of HK$38 million (31st March, 2014 — secured bank loans of HK$1,296 million and unsecured bank loans of HK$41 million) and were denominated in Hong Kong dollars, Renminbi, Malaysian Ringgit and Singapore dollars. The bank loans were secured by certain properties, shares in certain subsidiaries and certain bank deposits of the Group. All of the bank borrowings carried interest at floating rates. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure.

The Group has obligations under finance leases for certain fixed assets which amounted to HK$3 million as at 31st March, 2015 (31st March, 2014 — HK$4 million). These obligations are secured by the rights to the leased fixed assets. As at 31st March, 2015, approximately 73 per cent. (31st March, 2014 — 90 per cent.) of the bank and other borrowings were repayable within one year. As at 31st March, 2015, gearing ratio (measured as total borrowings, net of non-controlling interests, to shareholders' funds) was 15.7 per cent. (31st March, 2014 — 11.4 per cent.). The net cash position, measured as cash and bank balances less total bank and other borrowings of the Group as at 31st March, 2015 was HK$2,608 million (31st March, 2014 — HK$2,726 million).

BUSINESS REVIEW *(continued)*

Financial Position *(continued)*

The net asset value attributable to equity holders of the Group remained strong and increased to HK$9.3 billion as at 31st March, 2015 (31st March, 2014 — HK$8.6 billion). This was equivalent to HK$18.9 per share (31st March, 2014 — HK$17.5 per share). The increase was mainly attributable to the profit for the Year and the increase of reserves resulted from the further acquisition of shares of HKC in the market during the Year, net with share of translation loss of LAAPL's results for the Year.

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

The Group provided a guarantee of up to a maximum of US$84 million (31st March, 2014 — US$100 million) for a term of one year to a joint venture, guaranteeing its payment obligations to its trade creditors. Besides, the Group had bankers' guarantees of approximately HK$41 million as at 31st March, 2015 (31st March, 2014 — HK$40 million) issued in lieu of rental and utility deposits for the premises used for operation of food businesses. Approximately 86 per cent. (31st March, 2014 — 84 per cent.) of the bankers' guarantees were secured by certain bank deposits of the Group. In addition, the Group had contingent liabilities relating to MCB of approximately HK$36 million as at 31st March, 2015 (31st March, 2014 — HK$18 million), comprising guarantees and other endorsements of approximately HK$34 million (31st March, 2014 — HK$15 million) and liabilities under letters of credit on behalf of customers of approximately HK$2 million (31st March, 2014 — HK$3 million). Aside from the abovementioned, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Year (31st March, 2014 — Nil).

As at 31st March, 2015, the Group's commitment under the Conditional LSPA entered into in December 2014 amounted to approximately HK$261 million (31st March, 2014 — Nil). Besides, the Group had commitment arising from its property development projects. As the site works of M Residences were substantially completed, the total commitment relating to these property development projects as at 31st March, 2015 decreased to HK$187 million (31st March, 2014 — HK$417 million). As a result, total commitment of the Group increased to HK$558 million (31st March, 2014 — HK$507 million). The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

Others

In August 2014, the Group acquired an aggregate of 194,190,000 shares in, representing approximately 9.72 per cent. of, the entire issued share capital of HKC from certain institutional investors for an aggregate consideration of HK$368,961,000 (being HK$1.90 per share in HKC). Following the completion of the above acquisition, the Group's interest in HKC increased from approximately 56.12 per cent. as at 31st March, 2014 to approximately 65.84 per cent. as at 31st March, 2015, and an increase of equity of approximately HK$623.5 million was recognised directly in the reserves of the Group. The Group is confident of the long-term potential growth and development of HKC, and the above acquisition represented a good opportunity for the Group to increase its stake in HKC.

BUSINESS REVIEW *(continued)*

Others *(continued)*

It was announced on 3rd October, 2014 that LCR was approached by an independent third party (the "Potential Purchaser") in respect of a possible transaction involving the majority of the shares in LCR beneficially owned by the Company (the "Possible Transaction"). On 19th November, 2014, it was announced that discussion with the Potential Purchaser in respect of the Possible Transaction had discontinued and no formal or legally binding agreement had been entered into between LCR and the Potential Purchaser in respect of the terms of the Possible Transaction. No further discussion with the Potential Purchaser of the Possible Transaction is planned for the time being.

Staff and Remuneration

The Group had 3,161 employees as at 31st March, 2015 (31st March, 2014 — 3,337 employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss during the Year amounted to HK$678 million (31st March, 2014 — HK$618 million). 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. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

PROSPECTS

Looking ahead, world economic growth is likely to remain uneven and moderate. The outlook of the global economy is clouded with considerable uncertainties. The rise in U.S. interest rate remains contingent on its economic data. Setback to the fragile recovery of the Eurozone, failing to resolve the Greek debt problem and geopolitical tensions in various regions, if intensified, could worsen the international economy. Hopefully, the present low interest rate environment and the quantitative easing programmes adopted by, among others, the European Central Bank, Japan and mainland China will provide a positive influence to help maintain investor confidence and create new business opportunities.

The Group will continue to streamline its existing businesses and operation to meet the challenges ahead. Management will continue to take a cautious and prudent approach in managing the Group's assets and assessing new investment opportunities to capture growth opportunities and enhance shareholders' value.

BUSINESS STRATEGY

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

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

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. The Group recognises that operational risks cannot be eliminated completely and that it may not always be cost effective to do so.

Key functions in the Group are guided by their standard operating procedures, limits of authority and reporting framework. The Internal Audit Department will identify and assess key operational exposures and report such risk issues to senior management as early as possible so that appropriate risk response can be taken.

Investment Risk

Balancing risk and return across investment types and geographic location are key considerations of investment framework. Risk assessment is an important aspect of the investment decision process. An Investment Committee was formed and authority matrix was set up to approve the investments to be made by the Group. Regular updates on the progress of the investments of the Group would be submitted to the Board of Directors of the Company.

Financial Risks

In the course of business activities, the Group is exposed to a variety of financial risks, including market, liquidity and credit risks. The currency environment, interest rates cycles and mark to market value of investment securities may pose significant risks to the Group's financial condition, results of operations and businesses. In particular, income from treasury investment is dependent upon the capital markets, currency environment, interest rate and global economic conditions.

Market risk is the risk that the Group's earnings and capital or its ability to meet its business objectives will be adversely attracted by movement in foreign exchange rates, interest rates and equity prices. 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 Group monitors its interest-sensitive products and investments 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. Equity price risk arises from fluctuation in market prices of the Group's investment in financial assets. Senior management regularly reviews and monitors the mix of securities in its investment portfolio based on its fair value to ensure the loss arising from the changes in the market values of the investment portfolios is capped within an acceptable range.

Liquidity risk is the potential that the Group will be unable to meet its obligations when they fall due because of an ability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group monitors cash flows and maintains an adequate level of cash and credit facilities to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

KEY RISKS AND UNCERTAINTIES *(continued)*

Financial Risks *(continued)*

Credit risk is the risk of losses arising from a counterparty defaulting on an obligation which will result in an economic loss to the Group. It arises from lending, treasury, investment, food businesses and other activities undertaken by the Group. The credit policies for banking and margin lending businesses set out in details the credit approval and monitoring mechanism, the loan classification criteria and provision policy. Credit approval is conducted in accordance with the credit policies, taking into account the type and tenor of loans, creditworthiness and repayment ability of prospective borrowers, collateral available and the resultant risk concentration in the context of the Group's total assets. Day-to-day credit management is performed by management of individual business units. In addition, the Group's exposure to credit risk for its food businesses arises primarily from trade and other debtors. 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 its existing customers, especially those with repayment issues. The Group has established guidelines to ensure that all new debt investments are properly made, taking into account factors such as credit rating requirements and maximum exposure limit. 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 bank balances are deposited with creditworthy banks with no recent history of default.

Strategic Direction Risk

Taking into consideration the territories that the Group operates in, the Group faces risk in its application of its assets and capital towards suitable investments and seizure of business and investment opportunities when such opportunities arise.

Manpower and Retention Risk

The competition for talents in the countries that the Group operates has led to the risk that the Group is not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of the Group. The manpower regulations in the respective jurisdictions which the Group operates increases the risk of the Group obtaining and retaining manpower to meet its operational needs. The Group will provide attractive remuneration package to suitable candidates and personnel.

Business Risks

Property Investment

The rental rates and the occupancy rates will depend on various factors, including but not limited to, prevailing supply and demand conditions, economic conditions as well as the quality of the properties. There is no assurance that the Group is able to look for new tenants within a short period of time or procure new leases or renew existing leases at the prevailing market rates.

Property Development

Economic conditions, availability of external financing and the performance of property markets in which the Group's property development projects are located may affect the pace of development of the projects. Rising construction costs, labour shortage and the increase in material prices will affect the budget and the timing for completion of the development projects.

KEY RISKS AND UNCERTAINTIES *(continued)*

Business Risks *(continued)*

Food Businesses

Taking into consideration the nature of the Group's food businesses, there is risk of third party supplier and customer failing to comply with the Group's food safety/hygiene policies and procedures resulting in the contamination of the food products. In addition, there is risk of third party suppliers failing to supply products of adequate quality standards required and expected by the Group.

Taking into consideration the nature and age of its equipment, and the availability of good external manufacturing capabilities, there is risk of disruption in food production due to adverse external events and the breakdown of such equipment.

Mineral Exploration and Extraction Business

The Group's mineral exploration and extraction business requires substantial capital investment and may not achieve the intended economic results. There is no assurance that the exploration and extraction activities will result in the discovery of mineable resources. The fluctuation in the market price of the mineral ores and the transportation costs and networks of the mining sites will affect the prospects of the investments.

Joint Venture Partners Risk

Some of the businesses of the Group are conducted through non-wholly owned subsidiaries, associates, joint ventures and joint operations in which the Group shares control with the joint venture partners. There is no assurance that any of these joint venture partners will continue their relationships with the Group in the future or their goals or strategies are in line with the Group. Such joint venture partners may have business interests or goals which are different from the Group. They may experience financial and other difficulties or may be unable to fulfil their obligations under the joint ventures which may affect the Group's businesses and operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Other than financial performance, the Group believes that a high standard of corporate social responsibility is essential for building up a good corporate and social relationship and motivating staff and creating a sustainable return to the Group.

Workplace Quality

Working conditions

As at 31st March, 2015, the Group employed a total of 3,161 employees.

The Group provides competitive remuneration package to attract and motivate the employees. It offers competitive remuneration, retirement and medical benefits, insurance and generous paid leave. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard. Auric Pacific Group Limited ("Auric", together with its subsidiaries, the "APG Group"), a principal subsidiary of the Company, won the Human Resource Leadership Award in Asia's Best Employer Brand Awards, conferred by the Employer Branding Institute and the World HRD Congress. The award recognises organisations which excel in people-focused strategies in the areas of policies, frameworks as well as human capital management and development practices anchored in a progressive culture engrained throughout the organisation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Workplace Quality *(continued)*

Training and Development

Employees of the Group are encouraged to attend training and development courses to have the right knowledge and skills. The relevant divisions and departments would set aside a budget for the employees to attend training and development courses. An Executive Development Program which was designed to groom and develop future leaders and managers was set up by Auric. Over the 12-month course, management trainees of Auric are given opportunities to explore different businesses and functions of the APG Group. Thereafter, they will be deployed to functions which their passion, talents and skills are best applied. The APG Group also administers structured and formalized training programmes, combining practical experience to enhance its competencies and thereby managing its operations more effectively. The Group provides continuous professional development training for the Directors and senior management to develop and refresh their knowledge and skills which includes seminars and workshops, updates on regulatory requirements and development and corporate governance practices.

Equal Opportunity and Diversity

The Group treats the employees with respect and fairness and encourages a culture of equal opportunity and diversity regardless of age, gender, marital status and race. A Board Diversity Policy, with the aim of enhancing the quality of the Board's performance by diversity, was adopted in August 2013.

Health and Safety

To provide a safe working environment, risk assessments of workstations for all users are performed at regular intervals. Upgrades and maintenance of tools and equipment are performed to cope with the needs and demands of employees. In order to provide a hygienic working conditions, cleaning of carpets and air conditioning systems are carried out at regular intervals.

Environmental Protection

Environmental conservation remains a key focus for the Group. The conscientious use of resources and adoption of best practices across the Group's businesses underlie its commitment to safeguarding the environment. The Group encourages environmental protection and comply with environmental legislation and promote awareness towards environmental protection to the employees. The Group adheres to the principle of Recycling and Reducing. It implements green office practices such as double-sided printing and copying, setting up recycling bins, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliances. To conserve the environment, the Company encourages its shareholders to receive corporate communications electronically via the websites of The Stock Exchange of Hong Kong Limited and the Company and an automatic footnote had been appended on all the Group's emails requesting the recipients to consider the environment before printing.

Sunshine Bakeries, a member of the APG Group, which is engaged in manufacturing, sales and distribution of bakery and frozen food products reduces food wastage by recycling the excess bread from manufacturing and retail outlets as animal feed for farms. Adequate drainage and waste disposal systems and facilities are in place to eliminate the risk of contamination and pollution to the environment. Waste Management and Labelling Procedure was established by Sunshine Bakeries in compliance with the Environmental Public Health Act, 2008 of Singapore. Proper disposal of grease from the waste drains are conducted by waste disposal companies frequently. Noise pollution control procedure has also been established by Sunshine Bakeries and Delifrance Singapore Pte Ltd ("Delifrance"), a member of the APG Group, in compliance with the Environmental Protection and Management Act, 2008 of Singapore to provide protection and management of environment and resource conservation and also to create a more conducive environment for the employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Environmental Protection *(continued)*

The Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses to move towards adhering the 3Rs – Reduce, Recyle and Reuse and enhance environmental sustainability.

Community Involvement

The Group is committed to invest in the communities where it operates by setting a donation foundation. The Group has made donations to various charitable bodies, educational bodies and cultural societies from time to time.

Operating Practices

Anti-corruption

Employees are expected to observe the highest standard of ethical, personal and professional conduct. A whistle-blowing policy was adopted by the Group. The Internal Audit Department has conducted an ongoing review of the effectiveness of the internal control system on a regular basis. As far as the Group is aware, there are no concluded legal cases regarding corrupt practices brought to the Group or its employees during the year under review.

Food Safety

The APG Group is committed to food safety and quality assurance for the products it produces. The APG Group aims to provide safe foods at all times from the receipt of raw materials to storage of finished products. It recognises the importance of quality and food safety. To deliver on its trusted brand status, Auric has implemented consistent and comprehensive Quality, Environmental and Food Safety Management Systems across its businesses.

Quality, Environmental and Food Safety Management Systems

Auric has a comprehensive in-house Quality Assurance team to implement established quality assurance procedures and to perform control checks to ensure compliance approval. Both Sunshine Bakeries and Delifrance adopt the internationally recognised food safety management system, Hazard Analysis Critical Control Point ("HACCP") to safeguard the safety and quality of all their products. Similarly, its external warehouse and distribution service provider also fulfills the Codex guidelines for its HACCP system. By adopting HACCP, Auric is creating an environment where there is preventive approach to food safety from biological, chemical and physical hazards in production processes.

The Singapore Productivity and Standard Board accredited Sunshine Bakeries with the ISO 14001 certification in year 2000 for effectively establishing, implementing and maintaining an environmental management system. In year 2001, Sunshine Bakeries received ISO 9002 certification and was awarded HACCP certification. Sunshine Bakeries has been awarded the AVA 'Silver' Award for achieving 'A' grading in quality management for many years.

Delifrance recognises the importance of food safety and handling. To continuously improve its Food Safety Management System, Delifrance is steering towards achieving ISO 22000 to gain international recognition on food safety management with potential local and global business partners and as well as increase market access. Manufactured products are also submitted for microbiological testing to ensure that they comply with the microbiological standard. Assessments are conducted to ensure that all employees conform to personal hygiene standards and all retail outlets conform to food safety standards, so as to drive consistent best practices at all locations where food handling and processing procedures are carried out.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Operating Practices *(continued)*

Pest Control Program

The APG Group has a well-established material safety data sheet control procedure and pest control programme to ensure that its food and environments are free from contamination and pests, thereby adhering to the hygiene standards set by the relevant authorities.

As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

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 businesses, hotel operation, property management, project management, mineral exploration, extraction and processing, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

The activities and other particulars of the principal subsidiaries, principal associates, principal joint ventures and joint operations are set out in the financial statements on pages 151 to 164, pages 165 and 166, pages 167 and 168, and page 169, 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 financial position of the Group and the Company as at 31st March, 2015 are set out in the financial statements on pages 46 to 169.

An interim dividend of HK3 cents per share (For the six months ended 30th September, 2013 – HK3 cents per share) for the six months ended 30th September, 2014 was paid on 30th January, 2015. The Directors have resolved to recommend the payment of a final dividend of HK10 cents per share (2014 – HK10 cents per share) amounting to approximately HK$49.3 million for the Year (2014 – approximately HK$49.3 million). Total dividends for the Year will be HK13 cents per share (2014 – HK13 cents per share) amounting to approximately HK$64.1 million (2014 - approximately HK$64.1 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 176.

GOODWILL

Details of movements in goodwill during the Year are set out in Note 14 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 28 to the financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 32 to the financial statements.

EQUITY-LINKED AGREEMENTS/SHARE OPTION SCHEMES

Details of the share option schemes of the Company and its subsidiaries are set out in Note 33 to the financial statements.

For mineral exploration activities and general capital purposes, in April 2014, Asia Now Resources Corp. ("Asia Now"), a subsidiary of the Company, issued C$1,248,000 senior unsecured convertible debenture ("CD") to China Gold Pte. Ltd. ("China Gold"), a subsidiary of the Company, which will be due in April 2016. Together with C$1,248,000 CD issued by Asia Now to China Gold in December 2013 which will be due in December 2015, China Gold currently holds C$2,496,000 CDs in Asia Now which can be convertible into shares of Asia Now. The interest rate of the CDs is 12 per cent. per annum. Assuming full conversion of the CDs, China Gold's interest in Asia Now will be increased from approximately 52.2 per cent. to approximately 60.7 per cent.

DISTRIBUTABLE RESERVES

As at 31st March, 2015, the Company's reserves available for distribution, calculated in accordance with the provision of Part 6 of the Hong Kong Companies Ordinance (Chapter 622), amounted to HK$283,876,000. As at 31st March, 2015, other distributable reserve amounted to HK$1,709,202,000.

EVENTS AFTER THE REPORTING PERIOD

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

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in the financial statements on pages 151 to 164.

DONATIONS

Charitable and other donations made by the Group during the Year amounted to HK$40,864,000 (2014 — HK$17,983,000).

HONORARY CHAIRMAN

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

DIRECTORS

The Directors of the Company during the Year and up to the date of this report were:

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

Non-executive Directors
Mr. Jark Pui Lee, SBS, OBE, JP *(Note)*
Mr. Leon Nim Leung Chan

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

Note: Mr. Jark Pui Lee was re-designated from an executive Director to a non-executive Director on 1st March, 2015 due to his retirement.

In accordance with Article 120 of the Company's Articles of Association (the "Articles"), Dr. Stephen Riady and Messrs. John Luen Wai Lee and Edwin Neo will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Other than Mr. Jark Pui Lee, the Directors of the Company are also directors of certain subsidiaries of the Company. A list of directors of the Company's subsidiaries during the Year and up to the date of this report is available on the Company's website (www.lippoltd.com.hk).

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. Following the expiry of the term under their respective former letter agreements with the Company, 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, 2014. Each of Dr. Stephen Riady and Mr. John Luen Wai Lee 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, 2015. Mr. Jark Pui Lee entered into a letter agreement with the Company for his appointment as a non-executive Director of the Company for a term of two years commencing from 1st March, 2015. All the above letter agreements will be terminable by either party by giving three months' prior written notice. The term of office of the Directors is also subject to the 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.

In addition, during the Year, Dr. Stephen Riady entered into an employment agreement for his employment as an Executive President of the Company with effect from 1st January, 2015. The above employment agreement are terminable by either party by giving three months' prior written notice. Dr. Stephen Riady also entered into employment agreements/employment contract with three subsidiaries of the Company which are terminable by either party by giving three months' or six months' prior written notice (as the case may be). Mr. John Luen Wai Lee entered into employment agreements with two subsidiaries of the Company which are terminable by either party by giving three months' prior notice.

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.

Under the Company's Articles, every Director or other officer of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. A Directors' and Officers' Liability Insurance is in place to protect 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.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Dr. Stephen Riady, aged 55, has been the Chairman of the board of directors of the Company since 1991. He is also an executive director and the Chairman of the board of directors of each of Lippo China Resources Limited ("LCR") and Hongkong Chinese Limited ("HKC"), both are public listed companies in Hong Kong. He was also appointed as the Executive President of each of the Company, LCR and HKC with effect from 1st January, 2015. Dr. Riady is a director of Lanius Limited and Lippo Capital Limited. He is a member of the Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC. He also holds directorship in certain subsidiaries of the Company. Dr. Riady is the Executive Chairman of OUE Limited 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 a 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. Dr. Riady is the father-in-law of Dr. Andy Adhiwana, an executive director of Auric.

Mr. John Luen Wai Lee, BBS, JP, aged 66, has been the Managing Director of the Company since 1991 and is also the Chief Executive Officer of the Company. He is an executive director and the Chief Executive Officer of LCR and HKC, as well as an independent non-executive director of New World Development Company Limited and New World China Land Limited, all being public listed companies in Hong Kong. Mr. Lee is an authorised representative of the Company, LCR and HKC. In addition, he holds directorships in certain subsidiaries of the Company. Mr. Lee is a Fellow Member of The Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He was a partner of Pricewaterhouse (now known as PricewaterhouseCooper) 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 the Chairman of the Board of Trustees of the Hospital Authority Provident Fund Scheme and the Chairman of the Queen Elizabeth Hospital Governing Committee. In addition, he serves as a member of the Appeal Boards Panel (Education). Mr. Lee was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region.

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

Mr. Jark Pui Lee, SBS, OBE, JP, aged 75, was appointed a Director of the Company in 1992. He was re-designated from an executive Director to a non-executive Director of the Company on 1st March, 2015. Mr. Lee holds a Bachelor of Arts degree (Hons) from The University of Hong Kong. He worked for the Hong Kong Government and was the Secretary-General of The Chinese Manufacturers' Association of Hong Kong. He has served and contributed to the local community for over 40 years, and was Chairman of the Government's Social Welfare Advisory Committee, the General Support Programme Vetting Committee of the Innovation and Technology Commission, Hong Kong Council of Social Service, the Legal Aid Services Council and Po Leung Kuk. Mr. Lee is currently the Chairman of International Chamber of Commerce — Hong Kong, Agency for Volunteer Service and the Hong Kong Council of Volunteering.

Mr. Leon Nim Leung Chan, aged 59, was appointed an independent non-executive Director of the Company in 1997 and was re-designated as a non-executive Director of the Company in September 2004. He is a practising lawyer and presently the principal partner of Messrs. Y.T. Chan & Co. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1980 and was also admitted as a solicitor in England in 1984 and in Victoria, Australia in 1985. He was a member of the Solicitors Disciplinary Tribunal from May 1993 to April 2008 and is currently one of the Panel Chairman of the Appeal Tribunal Panel on appeals against a decision of the Building Authority. He is also a non-executive director of LCR and HKC. Mr. Chan is a member of the Audit Committee, Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC. He is also a director of a subsidiary of HKC and the chairman of the supervisory board of a subsidiary of HKC. Mr. Chan is an independent non-executive director of Midland Holdings Limited, a public listed company in Hong Kong. He resigned as an independent non-executive director of PanAsialum Holdings Company Limited, a public listed company in Hong Kong, on 4th December, 2014.

Mr. Edwin Neo, aged 65, was appointed an independent non-executive Director of the Company in March 2002. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1976 and of the Supreme Court of England and Wales in 1993. Mr. Neo is a practising lawyer and a notary public and is presently the senior partner of Hoosenally & Neo, Solicitors & Notaries. Mr. Neo holds a Bachelor of Laws degree with honours and Post-graduate Certificate in Laws from The University of Hong Kong. He is also an independent non-executive director of LCR and Auric. Mr. Neo is a member of the Remuneration Committee, Nomination Committee and Audit Committee of each of the Company and LCR.

Mr. King Fai Tsui, aged 65, was appointed an independent non-executive Director of the Company in September 2004. Mr. Tsui is a director and senior consultant of a registered financial services company in Hong Kong. He is an independent non-executive director of Vinda International Holdings Limited, China Aoyuan Property Group Limited and Newton Resources Ltd, all are public listed companies in Hong Kong. He has over 30 years of extensive experience in accounting, finance and investment management, particularly in investments in mainland China. Mr. Tsui worked for two of the Big Four audit firms in the United States of America and Hong Kong and served in various public listed companies in Hong Kong in a senior capacity. He is a Fellow of the Hong Kong Institute of Certified Public Accountants, a member of the Institute of Chartered Accountants in Australia and a member of the American Institute of Certified Public Accountants. He graduated from the University of Houston, Texas, the United States of America and holds a Master of Science in Accountancy and a Bachelor of Business Administration with first class honours. Mr. Tsui is an independent non-executive director of LCR and HKC. He is the Chairman of the Audit Committee of HKC and a member of the Audit Committee of each of the Company and LCR. He is also the Chairman of the Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC.

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

Mr. Victor Ha Kuk Yung, aged 61, was appointed an independent non-executive Director of the Company in September 2004. He is a professional accountant with over 30 years of working experience in the financial and accounting fields, and served in management positions in various multinational companies in Asia. Mr. Yung holds a Master of Science Degree in Corporate Governance and Directorship from the Hong Kong Baptist University, and is a member of the Hong Kong Institute of Certified Public Accountants. He is also an independent non-executive director of LCR and HKC. Mr. Yung is the Chairman of the Audit Committee of each of the Company and LCR and a member of the Audit Committee of HKC. He is also a member of the Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC. Mr. Yung is an independent non-executive director of Travel Expert (Asia) Enterprises Limited, a public listed company in Hong Kong. He resigned as an independent non-executive director of Magnum Entertainment Group Holdings Limited, a public listed company in Hong Kong, on 15th May, 2015.

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 and/or employment agreements/employment contract (as applicable) with the Group and/or paid under the relevant statutory requirement save for those as disclosed herein below:

(a) the discretionary bonus of Dr. Stephen Riady in an amount of HK$8,000,000;

(b) the director's fees for serving as director of certain subsidiaries of the Company and discretionary bonus of Mr. John Luen Wai Lee in the total amount of approximately HK$2,059,000;

(c) the discretionary bonus, fringe benefits and retirement benefits of Mr. Jark Pui Lee in the total amount of approximately HK$1,216,000;

(d) the director's fees of Mr. Leon Nim Leung Chan for serving as director and chairman of supervisory board of certain subsidiaries of the Company in the total amount of approximately HK$49,000; and

(e) the director's fee of Mr. Edwin Neo in an amount of approximately HK$404,000 for serving as an independent non-executive director of a subsidiary of the Company.

DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS *(continued)*

With effect from 1st January, 2015, Dr. Stephen Riady was entitled to receive from each of the Company, Lippo China Resources Limited ("LCR") and Hongkong Chinese Limited ("HKC") a director's fee of HK$204,000 per annum and a monthly salary of HK$83,000 for his appointment as an Executive President of each of the Company, LCR and HKC. With effect from 1st January, 2015, Mr. John Luen Wai Lee was entitled to receive a director's fee of HK$204,000 per annum from each of the Company, LCR and HKC and a monthly salary of HK$48,375 for his appointment as Chief Executive Officer of each of LCR and HKC. Dr. Stephen Riady and Mr. John Luen Wai Lee are also entitled to discretionary bonuses and other fringe benefits for the executive role in the Group under their respective employment agreements/employment contract with the Group. Mr. Jark Pui Lee was entitled to a director's fee of HK$204,000 per annum with effect from 1st March, 2015 following his re-designation as a non-executive executive director of the Company on 1st March, 2015. Further details of the above Directors' emoluments are disclosed in Note 7 to the financial statements.

Other than Mr. Jark Pui Lee who was re-designated as a non-executive Director on 1st March, 2015, the fee payable to each of the non-executive Directors of the Company was HK$204,000 for the Year. A non-executive Director will also receive additional fees for duties assigned to and services provided by him as Chairmen and/or members of various board committees of the Company and its subsidiaries. The fees payable to the non-executive Directors for serving as the Chairmen and/or members of various board committees of the Company for the Year were as follows:

	HK$
Audit Committee	
Chairman	60,000
Member	36,000
Other Committees	
Chairman	36,000
Member	36,000

With effect from 1st April, 2015, the fees payable to the non-executive Directors per annum for serving as Chairmen and/or members of various board committees of the Company were adjusted as follows:

	HK$
Audit Committee	
Chairman	72,000
Member	48,000
Other Committees	
Chairman	48,000
Member	48,000

With effect from 1st April, 2015, the fee payable to each of the Directors of the Company was adjusted from HK$204,000 per annum to HK$216,000 per annum.

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, 2015, the interests or short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on the Stock Exchange (the "Model Code"), were as follows:

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

Name of Director	Personal interests (held as beneficial owner)	Family interests (interest of spouse)	Other interests	Total interests	Approximate percentage of total interests in the issued shares
Number of ordinary shares in the Company					
Stephen Riady	–	–	319,322,219 *Note (i)*	319,322,219	64.75
Jark Pui Lee	–	60	–	60	0.00
John Luen Wai Lee	1,031,250	–	–	1,031,250	0.21
Number of ordinary shares in Lippo China Resources Limited ("LCR")					
Stephen Riady	–	–	6,544,696,389 *Notes (i) and (ii)*	6,544,696,389	71.24
Number of ordinary shares of HK$1.00 each in Hongkong Chinese Limited ("HKC")					
Stephen Riady	–	–	1,315,707,842 *Notes (i) and (iii)*	1,315,707,842	65.84
Jark Pui Lee	469	469	–	938	0.00
John Luen Wai Lee	2,000,270	270	–	2,000,540	0.10
King Fai Tsui	600,000	75,000	–	675,000	0.03

Note:

(i) As at 31st March, 2015, Lippo Capital Limited ("Lippo Capital"), an associated corporation (within the meaning of Part XV of the SFO) of the Company, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in an aggregate of 319,322,219 ordinary shares in, representing approximately 64.75 per cent. of the issued shares of, the Company. Lanius Limited ("Lanius"), an associated corporation (within the meaning of Part XV of the SFO) of the Company, is the holder of 705,690,001 ordinary shares of HK$1.00 each in, representing the entire issued shares of, Lippo Capital. Lanius is the trustee of a discretionary trust which was founded by Dr. Mochtar Riady, who does not have any interest in the issued shares of Lanius. The beneficiaries of the trust included, inter alia, Dr. Stephen Riady and other members of the family. Dr. Stephen Riady was taken to be interested in Lippo Capital under the provisions of the SFO.

(ii) As at 31st March, 2015, the Company was indirectly interested in 6,544,696,389 ordinary shares in, representing approximately 71.24 per cent. of the issued shares of, LCR.

(iii) As at 31st March, 2015, the Company was indirectly interested in 1,315,707,842 ordinary shares of HK$1.00 each in, representing approximately 65.84 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
Auric Pacific Group Limited	Ordinary shares	61,927,335	49.28
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
Gemdale Properties and Investment Corporation Limited	Ordinary shares	2,900,000,000	22.97
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
Lippo Assets (International) Limited	Ordinary shares	1	100
	Non-voting deferred shares	15,999,999	100
Lippo Finance Limited	Ordinary shares	6,176,470	82.35
Lippo Investments Limited	Ordinary shares	2	100
Lippo Realty Limited	Ordinary shares	2	100
Multi-World Builders & Development Corporation	Ordinary shares	4,080	51
The HCB General Investment (Singapore) Pte Ltd.	Ordinary shares	100,000	100
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, 2015, 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, 2015, 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, 2015, 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, 2015, 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, 2015, so far as is known to the Directors of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") as follows:

Interests of substantial shareholders in shares of the Company

Name	Number of ordinary shares	Approximate percentage of the issued shares
Lippo Capital Limited ("Lippo Capital")	319,322,219	64.75
Lanius Limited ("Lanius")	319,322,219	64.75
Dr. Mochtar Riady	319,322,219	64.75
Madam Lidya Suryawaty	319,322,219	64.75

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

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

Note:

1. Lippo Capital, through its wholly-owned subsidiary, J & S Company Limited, was indirectly interested in 14,699,997 ordinary shares of the Company. Together with 304,622,222 ordinary shares of the Company owned by Lippo Capital directly as beneficial owner, Lippo Capital was interested in an aggregate of 319,322,219 ordinary shares in, representing approximately 64.75 per cent. of the issued shares of, the Company.

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

3. Lippo Capital's interests in the ordinary shares of the Company were recorded as the interests of Lanius, Dr. Mochtar Riady and Madam Lidya Suryawaty. The above 319,322,219 ordinary shares of the Company related to the same block of shares that Dr. Stephen Riady was interested, details of which are disclosed in the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations".

All the interests stated above represent long positions. Save as disclosed herein, as at 31st March, 2015, 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, 2015, the Lippo Group might have had or developed interests in business in Hong Kong and other parts in Asia similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

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

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

CONTINUING CONNECTED TRANSACTIONS

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

(A) (i) A tenancy agreement dated 1st April, 2013 was entered into between West Tower Holding Limited ("West Tower"), a wholly-owned subsidiary of Lippo China Resources Limited ("LCR") which in turn is a subsidiary of the Company, and LCR Catering Services Limited ("LCR Catering"), a subsidiary of Food Junction Holdings Limited which in turn is a subsidiary of Auric Pacific Group Limited ("Auric"), a subsidiary of the Company, pursuant to which LCR Catering agreed to lease from West Tower Unit 4, Ground Floor, Lippo Centre, 89 Queensway, Hong Kong ("Lippo Centre") for a term of three years from 1st April, 2013 to 31st March, 2016, both days inclusive, at a monthly rental of HK$364,550, exclusive of rates, service charge and all other outgoings, for use as a restaurant. The service charge of HK$65,040 per month (subject to adjustment) was paid by LCR Catering to West Tower and such service charge did not exceed HK$78,000 per month (the "LCR Catering First Maximum Service Charge").

A licence agreement dated 1st April, 2013 was 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 dated 1st April, 2013 and licence agreement, which is equivalent to the annual rental, the annual LCR Catering First Maximum Service Charge and the annual licence fee, for the Year was HK$5,375,000.

LCR is interested in approximately 49.3 per cent. of the issued shares of Auric. 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, Auric and its subsidiaries have been classified as subsidiaries of the Company and LCR. Dr. Stephen Riady, through companies controlled by him, was indirectly interested as to approximately 21.9 per cent. of the total issued shares of Auric. Such interest was subsequently transferred to his son-in-law.

(ii) Due to an internal group reorganization, the ownership of certain premises at Lippo Centre were transferred from West Tower to Serene Yield Limited ("Serene Yield"), a wholly-owned subsidiary of LCR. Upon completion of such transfer, Serene Yield entered into a tenancy agreement dated 22nd August, 2014 with LCR Catering, pursuant to which LCR Catering agreed to lease from Serene Yield Unit 4, Ground Floor, Lippo Centre for a term of three years from 22nd August, 2014 to 21st August, 2017, both days inclusive, at a monthly rental of HK$398,200, exclusive of rates, service charge and all other outgoings, for use as a restaurant with an option to renew for a further three years upon current lease expiry (the "Additional Term") at the then open market rent for prime retail/restaurant accommodation in the Admiralty District of Hong Kong, provided that LCR Catering is not in breach of the existing tenancy agreement and that the rent for the Additional Term shall not be more than 20 per cent. higher than the rent payable during the last year of the initial term. The service charge of HK$65,040 per month (subject to adjustment) shall be payable by LCR Catering to Serene Yield and such service charge shall not exceed HK$90,000 per month (the "LCR Catering Second Maximum Service Charge"). The above tenancy agreement dated 1st April, 2013 was terminated by mutual agreement.

CONTINUING CONNECTED TRANSACTIONS *(continued)*

(A) (ii) *(continued)*

The maximum aggregate value, that is, the annual cap for the above tenancy agreement dated 22nd August, 2014, which is equivalent to the annual rental and the annual LCR Catering Second Maximum Service Charge, for the Year was HK$3,581,000.

(B) (i) A tenancy agreement dated 15th March, 2013 was 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) was paid by Delifrance to West Tower and such service charge did not exceed HK$10,000 per month (the "First Maximum Service Charge").

(ii) A tenancy agreement dated 15th March, 2013 was 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) was paid by Delifrance to West Tower and such service charge did 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$1,404,000.

Due to an internal group reorganization, the ownership of certain premises at Lippo Centre were transferred from West Tower to Serene Yield. Upon completion of such transfer on 22nd August, 2014, Serene Yield entered into two separate tenancy agreements with Delifrance in respect of the leasing of Shop 1B-1E, Ground Floor and Shop 1A-1B, First Floor of Lippo Centre and such new tenancy agreements are fully exempt from the shareholders' approval, annual review and all disclosure requirements under Rule 14A.76(1)(c) of the Listing Rules. The above tenancy agreements dated 15th March, 2013 entered into between West Tower with Delifrance were terminated by mutual agreement.

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 Group and in the interests of the Company and its shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS *(continued)*

The independent non-executive Directors have confirmed that the above agreements had been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; 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.56 of the Listing Rules. A copy of the above auditors' letter has been provided by the Company to the Stock Exchange.

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

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

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

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

DIRECTORS' SERVICE CONTRACTS

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

MANAGEMENT CONTRACTS

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

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

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

MAJOR SUPPLIERS AND CUSTOMERS

Purchases attributable to the Group's five largest suppliers combined accounted for 31 per cent. of the total purchases for the Year and purchases attributable to the largest supplier included therein amounted to 10 per cent. The percentage of sales attributable to the Group's five largest customers combined was less than 30 per cent. of the total sales for the Year.

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

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its brand competitiveness and dominant status, the Group aims at delivering constantly high standards of quality in the products and service to its customers. During the Year, there was no material and significant dispute between the Group and its suppliers and/or customers.

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(aa) 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 34 to 43.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

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

On behalf of the Board
John Luen Wai Lee
Managing Director and Chief Executive Officer

Hong Kong, 29th June, 2015

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, 2015 (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 the Company has complied with the code provisions of the CG Code for the Year.

DIRECTORS' SECURITIES TRANSACTIONS

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

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

BOARD OF DIRECTORS

The Board currently comprises seven members (the composition of the Board is shown on page 21), including two executive Directors and five 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 22 to 24). A list containing the names of the Directors and their roles and functions can also be found on the Company's website (www.lippoltd.com.hk) and the Stock Exchange's website (www.hkexnews.hk). To the best knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationships with each other.

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

BOARD OF DIRECTORS *(continued)*

Messrs. Edwin Neo (who is to retire by rotation at the forthcoming 2015 annual general meeting of the Company (the "2015 AGM")), King Fai Tsui and Victor Ha Kuk Yung 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. Edwin Neo, King Fai Tsui and Victor Ha Kuk Yung 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 Edwin Neo, King Fai Tsui and Victor Ha Kuk Yung 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 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. Eight Board meetings were held during the Year.

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

BOARD OF DIRECTORS *(continued)*

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

Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting*
	Attendance/Number of Meetings				
Executive Directors					
Dr. Stephen Riady *(Chairman)*	6/8	N/A	1/3	1/2	1/1
Mr. John Luen Wai Lee *(Managing Director and Chief Executive Officer)*	8/8	N/A	N/A	N/A	1/1
Non-executive Directors					
Mr. Jark Pui Lee *(re-designated from Executive Director to Non-executive Director on 1st March, 2015)*	6/8	N/A	N/A	N/A	0/1
Mr. Leon Nim Leung Chan	8/8	3/3	3/3	2/2	1/1
Independent Non-executive Directors					
Mr. Victor Ha Kuk Yung *(Chairman of the Audit Committee)*	8/8	3/3	3/3	2/2	1/1
Mr. King Fai Tsui *(Chairman of the Remuneration Committee and Nomination Committee)*	7/8	3/3	3/3	2/2	1/1
Mr. Edwin Neo	8/8	3/3	3/3	2/2	1/1

* the only general meeting of the Company held during the Year was the annual general meeting held on 11th September, 2014 (the "2014 AGM").

CHAIRMAN AND 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 were approved by the Board.

NON-EXECUTIVE DIRECTORS

There are currently five 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.lippoltd.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 staff, 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(aa) 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.lippoltd.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 2014 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.

NOMINATION OF DIRECTORS *(continued)*

The Board considers its diversity is essential to the sustainable success of the Company and has adopted a board diversity policy (the "Diversity Policy"). 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, 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.lippoltd.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. Two 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.lippoltd.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 2015 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 22 to 24.

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 *(Managing Director and Chief Executive Officer)*	(1), (2) and (3)
Non-executive Directors	
Mr. Jark Pui Lee *(re-designated from Executive Director to Non-executive Director on 1st March, 2015)*	(1), (2) and (3)
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$11.2 million (2014 — HK$9.5 million) and approximately HK$2.3 million (2014 — HK$1.7 million), 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.lippoltd.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 2015 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.

INTERNAL CONTROLS *(continued)*

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, and the Company's external auditors attended the 2014 AGM and were available to answer questions from shareholders.

COMMUNICATION WITH SHAREHOLDERS *(continued)*

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.lippoltd.com.hk).

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

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

SHAREHOLDERS' RIGHTS

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

FAIR DISCLOSURE AND INVESTOR RELATIONS

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

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

FAIR DISCLOSURE AND INVESTOR RELATIONS *(continued)*

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.lippoltd.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, 2015, 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 44 and 45.

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.

Independent Auditors' Report

EY 安永

To the members of Lippo Limited
(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Lippo Limited (the "Company") and its subsidiaries set out on pages 46 to 169, which comprise the consolidated statement of financial position as at 31st March, 2015, 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 405 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 financial position of the Company and its subsidiaries as at 31st March, 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Hong Kong, 29th June, 2015

Consolidated Statement of Profit or Loss

For the year ended 31st March, 2015

	Note	2015 HK$'000	2014 HK$'000
Revenue	5	**2,974,195**	6,732,004
Cost of sales		**(1,596,774)**	(3,557,304)
Gross profit		**1,377,421**	3,174,700
Administrative expenses		**(1,042,409)**	(983,119)
Other operating expenses		**(513,745)**	(591,528)
Gain on disposal of subsidiaries	36	**812,555**	200,170
Gain/(Loss) on disposal of available-for-sale financial assets		**(7)**	132,511
Net fair value gain on investment properties		**74,647**	46,511
Net fair value loss on financial instruments at fair value through profit or loss		**(6,743)**	(67,559)
Provisions for impairment losses on:			
Intangible assets		**(2,792)**	(61,667)
Exploration and evaluation assets		**(95,410)**	(3,879)
Fixed assets		**–**	(27,288)
Associates		**(14,974)**	(28,589)
Available-for-sale financial assets		**(31,647)**	(14,290)
Properties under development		**(60,216)**	–
Finance costs	9	**(39,736)**	(121,334)
Share of results of associates		**28,969**	(42,846)
Share of results of joint ventures	10	**391,874**	(342,458)
Profit before tax	6	**877,787**	1,269,335
Income tax	11	**(145,494)**	(892,666)
Profit for the year		**732,293**	376,669
Attributable to:			
Equity holders of the Company		**552,223**	112,173
Non-controlling interests		**180,070**	264,496
		732,293	376,669
		HK$	HK$
Earnings per share attributable to equity holders of the Company	12		
Basic		**1.12**	0.23
Diluted		**N/A**	N/A

Consolidated Statement of Comprehensive Income

For the year ended 31st March, 2015

	Note	2015 HK$'000	2014 HK$'000
Profit for the year		**732,293**	376,669
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		**(533)**	(6,075)
Adjustments for disposal		**4**	(118,591)
Adjustment for impairment losses		**3,187**	–
Income tax effect		**1,025**	2,428
		3,683	(122,238)
Share of other comprehensive income/(loss) of joint ventures:			
Share of changes in fair value of available-for-sale financial assets		**25,210**	99,159
Share of effective portion of changes in fair value of cash flow hedges		**10,198**	(3,242)
Share of exchange differences on translation of foreign operations		**(548,585)**	(124,591)
		(513,177)	(28,674)
Share of exchange differences on translation of foreign associates		**(1,258)**	–
Exchange differences on translation of foreign operations		**(187,511)**	11,792
Adjustments relating to disposal of foreign subsidiaries	36	**(78,620)**	(260,392)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods and other comprehensive loss for the year, net of tax		**(776,883)**	(399,512)
Total comprehensive loss for the year		**(44,590)**	(22,843)
Attributable to:			
Equity holders of the Company		**94,194**	(147,492)
Non-controlling interests		**(138,784)**	124,649
		(44,590)	(22,843)

Consolidated Statement of Financial Position

As at 31st March, 2015

	Note	2015 HK$'000	2014 HK$'000
Non-current assets			
Intangible assets	14	**498,788**	559,710
Exploration and evaluation assets	15	**1,040**	95,295
Fixed assets	16	**410,093**	358,936
Investment properties	17	**1,483,869**	2,353,558
Interests in associates	18	**527,202**	568,601
Interests in joint ventures	19	**7,869,144**	8,062,203
Available-for-sale financial assets	20	**205,648**	222,527
Loans and advances	21	**112,838**	91,151
Debtors, prepayments and deposits	22	**67,487**	65,006
Deferred tax assets	31	**6,812**	6,708
		11,182,921	12,383,695
Current assets			
Properties held for sale		**121,990**	186,370
Properties under development	23	**1,415,118**	1,186,341
Inventories	24	**274,628**	280,884
Loans and advances	21	**288,929**	276,447
Debtors, prepayments and deposits	22	**575,488**	654,430
Available-for-sale financial assets	20	**24,047**	3,753
Financial assets at fair value through profit or loss	25	**513,261**	347,888
Other financial assets	26	**169**	–
Tax recoverable		**12,620**	9,373
Client trust bank balances		**324,982**	311,353
Restricted cash	27	**92,799**	198,112
Treasury bills		**38,800**	33,950
Cash and bank balances		**4,405,570**	4,066,923
		8,088,401	7,555,824
Current liabilities			
Bank and other borrowings	28	**1,309,863**	1,207,297
Creditors, accruals and deposits received	29	**1,519,054**	1,737,248
Current, fixed, savings and other deposits of customers	30	**444,582**	332,180
Other financial liabilities	26	**4,522**	15,998
Tax payable		**561,971**	780,811
		3,839,992	4,073,534
Net current assets		**4,248,409**	3,482,290
Total assets less current liabilities		**15,431,330**	15,865,985

	Note	**2015 HK$'000**	2014 HK$'000
Non-current liabilities			
Bank and other borrowings	28	**487,220**	133,237
Creditors, accruals and deposits received	29	**30,724**	29,068
Deferred tax liabilities	31	**104,481**	221,427
		622,425	383,732
Net assets		**14,808,905**	15,482,253
Equity			
Equity attributable to equity holders of the Company			
Share capital	32	**986,598**	986,598
Reserves	34	**8,311,226**	7,644,563
		9,297,824	8,631,161
Non-controlling interests		**5,511,081**	6,851,092
		14,808,905	15,482,253

John Luen Wai Lee
Director

Stephen Riady
Director

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2015

	Attributable to equity holders of the Company														
	Share capital	Share premium account	Share option reserve	Special capital reserve *(Note 34 (a))*	Capital redemption reserve	Legal reserve *(Note 34 (b))*	Regulatory reserve *(Note 34 (c))*	Investment revaluation reserve	Other asset revaluation reserve	Hedging reserve *(Note 34 (d))*	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$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1st April, 2014	986,598	-	1,082	1,709,202	-	5,170	1,470	238,506	20,153	(1,819)	681,064	4,989,735	8,631,161	6,851,092	15,482,253
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	552,223	552,223	180,070	732,293
Other comprehensive income/(loss) for the year:															
Available-for-sale financial assets:															
Changes in fair value	-	-	-	-	-	-	-	(279)	-	-	-	-	(279)	(254)	(533)
Adjustments for disposal	-	-	-	-	-	-	-	2	-	-	-	-	2	2	4
Adjustment for impairment losses	-	-	-	-	-	-	-	2,098	-	-	-	-	2,098	1,089	3,187
Income tax effect	-	-	-	-	-	-	-	638	-	-	-	-	638	387	1,025
Share of other comprehensive income/(loss) of joint ventures	-	-	-	-	-	-	-	17,092	-	6,399	(354,942)	-	(331,451)	(181,726)	(513,177)
Share of exchange differences on translation of foreign associates	-	-	-	-	-	-	-	-	-	-	(816)	-	(816)	(442)	(1,258)
Exchange differences on translation of foreign operations	-	-	(138)	-	-	-	-	-	-	-	(73,050)	-	(73,188)	(114,323)	(187,511)
Adjustments relating to disposal of foreign subsidiaries	-	-	-	-	-	-	-	-	-	-	(55,033)	-	(55,033)	(23,587)	(78,620)
Total comprehensive income/(loss) for the year	-	-	(138)	-	-	-	-	19,551	-	6,399	(483,841)	552,223	94,194	(138,784)	(44,590)
Changes in non-controlling interests without change in control *(Note 37)*	-	-	-	-	-	-	-	-	-	-	-	623,890	623,890	(993,217)	(369,327)
Share of equity movements arising on equity transactions of joint ventures	-	-	-	-	-	-	-	-	-	(274)	10	12,953	12,689	6,830	19,519
Transfer of reserve	-	-	-	-	-	6,582	-	-	-	-	-	(6,582)	-	-	-
2013/2014 final dividend declared and paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	-	(49,315)	(49,315)	-	(49,315)
2014/2015 interim dividend declared and paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	-	(14,795)	(14,795)	-	(14,795)
Dividends and distributions declared and paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(214,840)	(214,840)
At 31st March, 2015	**986,598**	**-**	**944**	**1,709,202**	**-**	**11,752**	**1,470**	**258,057**	**20,153**	**4,306**	**197,233**	**6,108,109**	**9,297,824**	**5,511,081**	**14,808,905**
At 1st April, 2013	49,316	914,519	1,175	1,709,202	22,763	4,055	1,470	269,532	20,153	-	907,791	4,948,586	8,848,562	7,006,489	15,855,051
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	112,173	112,173	264,496	376,669
Other comprehensive income/(loss) for the year:															
Available-for-sale financial assets:															
Changes in fair value	-	-	-	-	-	-	-	(3,505)	-	-	-	-	(3,505)	(2,570)	(6,075)
Adjustments for disposal	-	-	-	-	-	-	-	(84,532)	-	-	-	-	(84,532)	(34,059)	(118,591)
Income tax effect	-	-	-	-	-	-	-	1,362	-	-	-	-	1,362	1,066	2,428
Share of other comprehensive income/(loss) of joint ventures	-	-	-	-	-	-	-	55,649	-	(1,819)	(69,684)	-	(15,854)	(12,820)	(28,674)
Exchange differences on translation of foreign operations	-	-	(93)	-	-	-	-	-	-	-	28,273	-	28,180	(16,388)	11,792
Adjustments relating to disposal of foreign subsidiaries	-	-	-	-	-	-	-	-	-	-	(185,316)	-	(185,316)	(75,076)	(260,392)
Total comprehensive income/(loss) for the year	-	-	(93)	-	-	-	-	(31,026)	-	(1,819)	(226,727)	112,173	(147,492)	124,649	(22,843)
Transfer to share capital *(Note 32)*	937,282	(914,519)	-	-	(22,763)	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests without change in control *(Note 37)*	-	-	-	-	-	-	-	-	-	-	-	7,031	7,031	(78,107)	(71,076)
Share of equity movements arising on equity transactions of joint ventures	-	-	-	-	-	-	-	-	-	-	-	(42,419)	(42,419)	(33,166)	(75,585)
Repayment to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,316)	(4,316)
Transfer of reserve	-	-	-	-	-	1,115	-	-	-	-	-	(1,115)	-	-	-
2012/2013 final dividend declared and paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	-	(19,726)	(19,726)	-	(19,726)
2013/2014 interim dividend declared and paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	-	(14,795)	(14,795)	-	(14,795)
Dividends and distributions declared and paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(164,457)	(164,457)
At 31st March, 2014	986,598	-	1,082	1,709,202	-	5,170	1,470	238,506	20,153	(1,819)	681,064	4,989,735	8,631,161	6,851,092	15,482,253

Consolidated Statement of Cash Flows

For the year ended 31st March, 2015

	Note	2015 HK$'000	2014 HK$'000
Cash flows from operating activities			
Cash generated from/(used in) operations	38	**(674,055)**	1,478,824
Interest received		**113,541**	72,910
Dividends received from:			
Joint ventures		**117,719**	54,816
An associate		**2,738**	–
Investments		**14,348**	13,051
Taxes paid:			
Hong Kong		**(2,624)**	(7,532)
Overseas		**(416,900)**	(85,068)
Net cash flows from/(used in) operating activities		**(845,233)**	1,527,001
Cash flows from investing activities			
Proceeds from disposals of:			
Fixed assets		**984**	1,173
Investment properties		**5,436**	–
Available-for-sale financial assets		**9,366**	185,206
Redeemable preference shares		**–**	129,951
Payments to acquire:			
Fixed assets		**(150,969)**	(86,211)
Exploration and evaluation assets		**(3,316)**	(10,056)
Available-for-sale financial assets		**(43,844)**	(20,779)
Associates		**(11,611)**	–
Additions to investment properties		**(287)**	(70,247)
Repayment from associates		**39,439**	213,471
Advances to associates		**(23,523)**	(116)
Repayment from a joint venture		**1,544**	–
Advances to joint ventures		**(44,412)**	(261,406)
Disposal of subsidiaries, net of cash and cash equivalents disposed of	36	**1,639,126**	748,197
Decrease/(Increase) in time deposits with original maturity of more than three months		**925,397**	(719,660)
Net cash flows from investing activities		**2,343,330**	109,523

	2015 HK$'000	2014 HK$'000
Cash flows from financing activities		
Interest paid	**(38,929)**	(94,068)
Drawdown of bank loans *(Note)*	**1,918,780**	720,480
Repayment of bank loans *(Note)*	**(1,456,548)**	(1,251,497)
Repayment of financing for redeemable preference shares	**–**	(12,124)
Repayment of obligations under finance leases	**(2,261)**	(358)
Acquisition of non-controlling interests	**(369,327)**	(71,076)
Repayment to non-controlling shareholders of subsidiaries	**–**	(4,316)
Dividends paid to shareholders of the Company	**(64,110)**	(34,521)
Dividends and distributions paid to non-controlling shareholders of subsidiaries	**(214,840)**	(164,457)
Decrease in pledged bank deposits	**24,845**	107,628
Net cash flows used in financing activities	**(202,390)**	(804,309)
Net increase in cash and cash equivalents	**1,295,707**	832,215
Cash and cash equivalents at beginning of year	**3,176,597**	2,347,033
Exchange realignments	**(27,934)**	(2,651)
Cash and cash equivalents at end of year	**4,444,370**	3,176,597
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	**4,405,570**	4,066,923
Treasury bills	**38,800**	33,950
Time deposits with original maturity of more than three months	**–**	(924,276)
	4,444,370	3,176,597

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

1. CORPORATE AND GROUP INFORMATION

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

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

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

Details of the principal subsidiaries are set out on pages 151 to 164.

2.1 BASIS OF PREPARATION

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") and 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, 2015. 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:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

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.

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 revised standards and new interpretation for the first time for the current year's financial statements:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010–2012 Cycle*	*Definition of Vesting Condition* [1]
Amendment to HKFRS 3 included in *Annual Improvements 2010–2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination* [1]
Amendment to HKFRS 13 included in *Annual Improvements 2010–2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011–2013 Cycle*	*Meaning of Effective HKFRSs*

[1] Effective from 1st July, 2014

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

The adoption of the above revised standards and interpretation has had no significant financial effect on these financial statements.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the 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* [4]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception* [2]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations* [2]
HKFRS 14	*Regulatory Deferral Accounts* [5]
HKFRS 15	*Revenue from Contracts with Customers* [3]
Amendments to HKAS 1	*Disclosure Initiative* [2]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* [2]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants* [2]
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions* [1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements* [2]
Annual Improvements 2010–2012 Cycle	Amendments to a number of HKFRSs [1]
Annual Improvements 2011–2013 Cycle	Amendments to a number of HKFRSs [1]
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs [2]

1 Effective for annual periods beginning on or after 1st July, 2014
2 Effective for annual periods beginning on or after 1st January, 2016
3 Effective for annual periods beginning on or after 1st January, 2017
4 Effective for annual periods beginning on or after 1st January, 2018
5 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1st January, 2016 and therefore is not applicable to the Group

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1st April, 2018. The Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

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

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1st April, 2016.

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing the joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1st April, 2016.

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The Group expects to adopt HKFRS 15 on 1st April, 2017 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements in five areas, including materiality, disaggregation and subtotals, notes structure, disclosure of accounting policies and presentation of items of other comprehensive income arising from equity accounted investments. The amendments further encourage entities to apply professional judgement in determining what information to disclose and how to structure the disclosure in the financial statements. The Group expects to adopt the amendments from 1st April, 2016.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate fixed assets and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1st April, 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

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

The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Except for those described in Note 2.2, the Group expects to adopt the amendments from 1st April, 2015. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendment most applicable to the Group are as follows:

HKFRS 8 *Operating Segments* clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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 assets 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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) 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. 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 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.

(c) 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 acquire 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 of the acquiree.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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

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

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

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

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

(d) 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)*

(d) 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, described as follows, 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.

(e) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets, inventories, investment properties, properties under development, 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)*

(e) 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.

(f) 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)*

(g) Fixed assets and depreciation

Fixed assets, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of fixed assets is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. 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	Over the unexpired terms of the leases or useful life, whichever is shorter
Furniture, fixtures, plant and equipment	10 per cent. to 100 per cent.
Motor vehicles	12 per cent. to 33⅓ per cent.
Yacht	10 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Investment properties

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

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

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

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

(i) 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 are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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	33⅓ per cent.
Order backlog	100 per cent.

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

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

Trademarks

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

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)).

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) 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, costs of geological and 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.

(k) 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 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 terms and the estimated useful life of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease term.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leases (continued)

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

(l) Investments and other financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Subsequent measurement (continued)

Loans and receivables

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

Available-for-sale financial assets

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

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

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

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

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit and loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount 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 and loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(n) 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Financial assets carried at amortised cost (continued)

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.

Available-for-sale financial assets

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Available-for-sale financial assets (continued)

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

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 instruments can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss.

(o) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) Financial liabilities *(continued)*

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.

(p) 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.

(q) 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.

(r) Derivative financial instruments

Initial recognition and subsequent measurement

When appropriate, 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Derivative financial instruments *(continued)*

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.

(s) 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.

(t) 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.

(u) 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.

(v) 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 consolidated 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(w) 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.

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

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

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

(i) where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of taxable temporary differences associated with interests in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(x) Income tax *(continued)*

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any 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, 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.

(y) 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(z) 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, on a 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; and

(ix) 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)*

(aa) 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 participates in the national pension schemes as defined by the laws of the countries in which it has operations. In Hong Kong, 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 or to refund to the Group, in accordance with the rules of the MPF Schemes.

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

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

Share-based payments

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(aa) Employee benefits *(continued)*

Share-based payments (continued)

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

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. 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.

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

(ab) 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)*

(ac) 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.

(ad) Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional 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 arising on settlement or translation of monetary items 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 Hong Kong dollars 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. The Group may provide ancillary services to the occupants of properties it holds. 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. The property is an investment property only if the ancillary services are insignificant to the arrangement as a whole.

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 Pacific Group Limited ("Auric") even though it holds 49.3 per cent. interest in Auric through its non-wholly owned subsidiaries. This is because the Group has held significantly more voting rights in Auric than any other vote holders and the other shareholdings 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 Resources Corp. ("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 principal joint operations are set out on page 169.

(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.

The carrying amount of investment properties as at 31st March, 2015 was HK$1,483,869,000 (2014 — HK$2,353,558,000). 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 to which goodwill, trademarks and trademark licence agreement have been allocated 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. The carrying amount of intangible assets as at 31st March, 2015 was HK$498,788,000 (2014 — HK$559,710,000).

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$31,647,000 (2014 — HK$14,290,000) were provided for available-for-sale financial assets for the year. The carrying amount of available-for-sale financial assets as at 31st March, 2015 was HK$229,695,000 (2014 — HK$226,280,000).

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. The carrying amounts of the Group's deferred tax assets, and recognised and unrecognised tax losses at the end of the reporting period are disclosed in Note 31 to the financial statements.

4. SEGMENT INFORMATION

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

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

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

(c) the treasury investment segment includes investments in money markets;

(d) the securities investment segment includes dealings in securities and financial assets available-for-sale;

(e) the corporate finance and securities broking segment provides securities and futures brokerage, investment banking, underwriting and other related advisory services;

(f) the banking business segment engages in the provision of commercial and retail banking services;

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

(h) the mineral exploration and extraction segment includes mineral exploration, extraction and processing; and

(i) the "other" segment comprises principally the development of computer hardware and software, money lending and the provision of property, project and fund management and investment advisory services.

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

The mineral exploration and extraction segment is identified as a reportable segment in the current year. Segment data for the prior year presented is restated to conform with current year's presentation.

4. SEGMENT INFORMATION *(continued)*

Year ended 31st March, 2015

	Property investment HK$'000	Property development HK$'000	Treasury investment HK$'000	Securities investment HK$'000	Corporate finance and securities broking HK$'000	Banking business HK$'000	Food businesses HK$'000	Mineral exploration and extraction HK$'000	Other HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Revenue											
External	56,117	123,888	72,572	22,560	19,403	22,280	2,627,085	–	30,290	–	2,974,195
Inter-segment	14,447	–	–	–	1,178	–	–	–	1,904	(17,529)	–
Total	70,564	123,888	72,572	22,560	20,581	22,280	2,627,085	–	32,194	(17,529)	2,974,195
Segment results	902,430	(28,714)	72,406	3,031	(10,045)	2,104	(7,699)	(134,283)	618	(1,735)	798,113
	(Note (a))										
Unallocated corporate expenses											(303,686)
Finance costs											(37,483)
Share of results of associates	–	43,546	–	–	–	–	(24)	(1,028)	(13,525)	–	28,969
Share of results of joint ventures	370,660	15,726	–	–	–	–	5,488	–	–	–	391,874
Profit before tax											877,787
Segment assets	1,637,683	1,690,656	4,133,628	661,143	378,315	510,223	1,699,970	37,728	22,312	–	10,771,658
Interests in associates	6,180	462,134	–	–	–	–	1,538	38,552	18,798	–	527,202
Interests in joint ventures	7,838,074	18,658	–	–	–	–	12,412	–	–	–	7,869,144
Unallocated assets											103,318
Total assets											19,271,322
Segment liabilities	611,734	1,271,753	–	326,980	336,253	450,669	532,257	395,782	432,411	(1,991,016)	2,366,823
Unallocated liabilities											2,095,594
Total liabilities											4,462,417
Other segment information:											
Capital expenditure *(Note (b))*	19,810	278	–	–	1,909	427	98,830	3,316	218	–	124,788
Depreciation	(2,640)	(927)	–	–	(1,044)	(1,301)	(81,014)	(149)	(563)	–	(87,638)
Amortisation of intangible assets	–	–	–	–	–	–	(16,885)	–	–	–	(16,885)
Interest income	–	–	72,572	6,186	–	18,566	139	–	6,647	–	104,110
Finance costs	–	–	–	–	(22)	–	(2,231)	–	–	–	(2,253)
Gain/(Loss) on disposal of:											
Subsidiaries	799,793	–	–	–	–	–	10,457	–	2,305	–	812,555
An investment property	395	–	–	–	–	–	–	–	–	–	395
Available-for-sale financial assets	–	–	–	(7)	–	–	–	–	–	–	(7)
Write-back of provision/(Provisions) for impairment losses on:											
Intangible assets	–	–	–	–	–	–	(2,792)	–	–	–	(2,792)
Exploration and evaluation assets	–	–	–	–	–	–	–	(95,410)	–	–	(95,410)
Associates	–	–	–	–	–	–	–	(7,988)	(6,986)	–	(14,974)
A joint venture	–	233	–	–	–	–	–	–	–	–	233
Available-for-sale financial assets	–	–	–	(3,187)	–	–	(8,918)	(19,542)	–	–	(31,647)
Properties under development	–	(60,216)	–	–	–	–	–	–	–	–	(60,216)
Properties held for sale	(889)	–	–	–	–	–	–	–	–	–	(889)
Inventories	–	–	–	–	–	–	(12,845)	–	–	–	(12,845)
Bad and doubtful debts	(200)	–	–	–	724	(487)	(4,704)	–	(2,572)	–	(7,239)
Write-down of fixed assets	–	–	–	–	–	–	(332)	–	–	–	(332)
Net fair value loss on financial instruments at fair value through profit or loss	–	–	–	(4,934)	–	–	(1,809)	–	–	–	(6,743)
Net fair value gain on investment properties	74,647	–	–	–	–	–	–	–	–	–	74,647
Unallocated:											
Capital expenditure *(Note (b))*											53,607
Depreciation											(7,041)
Finance costs											(37,483)

4. SEGMENT INFORMATION *(continued)*

Year ended 31st March, 2014

	Property investment HK$'000	Property development HK$'000	Treasury investment HK$'000	Securities investment HK$'000	Corporate finance and securities broking HK$'000	Banking business HK$'000	Food businesses HK$'000	Mineral exploration and extraction HK$'000	Other HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Revenue											
External	189,952	3,844,180	48,836	50,462	28,905	19,344	2,511,649	–	38,676	–	6,732,004
Inter-segment	18,484	–	–	–	1,270	–	–	–	4,507	(24,261)	–
Total	208,436	3,844,180	48,836	50,462	30,175	19,344	2,511,649	–	43,183	(24,261)	6,732,004
Segment results	396,002	1,629,848	48,716	112,295	(6,289)	1,848	(136,826)	(33,360)	(28,578)	(1,816)	1,981,840
	(Note (a))										
Unallocated corporate expenses											(208,395)
Finance costs											(118,806)
Share of results of associates	–	(39,508)	–	–	–	–	(31)	(99)	(3,208)	–	(42,846)
Share of results of joint ventures	(528,275)	180,952	–	–	–	–	4,865	–	–	–	(342,458)
Profit before tax											1,269,335
Segment assets	2,536,461	1,677,556	3,673,513	477,646	417,333	446,050	1,858,428	153,106	24,356	(13,541)	11,250,908
Interests in associates	7,841	504,988	–	–	–	–	1,708	36,235	17,829	–	568,601
Interests in joint ventures	7,919,901	129,183	–	–	–	–	13,119	–	–	–	8,062,203
Unallocated assets											57,807
Total assets											19,939,519
Segment liabilities	627,306	1,424,531	–	245,440	361,316	336,027	543,747	283,571	311,499	(2,019,233)	2,114,204
Unallocated liabilities											2,343,062
Total liabilities											4,457,266
Other segment information:											
Capital expenditure *(Note (b))*	70,726	740	–	–	173	1,622	88,251	10,056	311	–	171,879
Depreciation	(1,393)	(1,057)	–	–	(410)	(1,233)	(90,052)	(287)	(574)	–	(95,006)
Amortisation of intangible assets	–	–	–	–	–	–	(17,267)	–	–	–	(17,267)
Interest income	–	–	48,836	5,295	–	17,032	3,627	–	8,670	–	83,460
Finance costs	–	–	–	–	(111)	–	(2,417)	–	–	–	(2,528)
Gain/(Loss) on disposal of:											
Subsidiaries	203,718	–	–	–	–	–	–	–	(3,548)	–	200,170
Available-for-sale financial assets	–	–	–	132,511	–	–	–	–	–	–	132,511
Write-back of provision/(Provisions) for impairment losses on:											
Intangible assets	–	–	–	–	–	–	(61,667)	–	–	–	(61,667)
Exploration and evaluation assets	–	–	–	–	–	–	–	(3,879)	–	–	(3,879)
Fixed assets	–	–	–	–	–	–	(27,288)	–	–	–	(27,288)
Associates	–	–	–	–	(778)	–	–	(2,000)	(25,811)	–	(28,589)
A joint venture	–	(14,645)	–	–	–	–	–	–	–	–	(14,645)
Available-for-sale financial assets	–	–	–	–	–	–	(290)	(14,000)	–	–	(14,290)
Properties held for sale	1,086	–	–	–	–	–	–	–	–	–	1,086
Inventories	–	–	–	–	–	–	(13,826)	–	–	–	(13,826)
Bad and doubtful debts	–	–	–	–	4,059	(176)	(5,254)	–	–	–	(1,371)
Write-down of fixed assets	–	–	–	–	–	–	(2,695)	–	–	–	(2,695)
Net fair value loss on financial instruments at fair value through profit or loss	–	–	–	(63,627)	–	–	(2,892)	–	–	–	(66,519)
Net fair value gain on investment properties	46,511	–	–	–	–	–	–	–	–	–	46,511
Unallocated:											
Capital expenditure *(Note (b))*											1,959
Depreciation											(3,801)
Finance costs											(118,806)
Net fair value loss on financial instruments at fair value through profit or loss											(1,040)

Note:

(a) The amount included net fair value gain on investment properties of HK$74,647,000 (2014 — HK$46,511,000) and gain on disposal of subsidiaries of HK$799,793,000 (2014 — HK$203,718,000).

(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

	2015 HK$'000	2014 HK$'000
Hong Kong	**413,928**	381,437
Macau	**27,875**	24,067
Mainland China	**197,709**	4,066,972
Republic of Singapore	**1,687,675**	1,678,282
Malaysia	**631,658**	565,735
Other	**15,350**	15,511
	2,974,195	6,732,004

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

(b) Non-current assets

	2015 HK$'000	2014 HK$'000
Hong Kong	**1,185,755**	1,609,857
Macau	**203,233**	159,488
Mainland China	**289,289**	895,220
Republic of Singapore	**8,842,487**	9,121,208
Malaysia	**47,119**	22,754
Other	**243,719**	210,227
	10,811,602	12,018,754

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

Information about a major customer

Revenue of approximately HK$426,274,000 for the year ended 31st March, 2015 was derived from sales by the food businesses segment to a single customer. Revenue of approximately HK$1,127,405,000 for the year ended 31st March, 2014 was derived from sales by the property development segment to a single customer.

5. REVENUE

Revenue represents the aggregate of gross rental income, proceeds from sales of properties, income on treasury investment which includes interest income on bank deposits, income from securities investment which includes gain/(loss) on sales of securities investment, dividend income and related interest income, income from underwriting and securities broking, gross interest income, commissions, dealing income and other revenue from a banking subsidiary, income from sales of goods and food and beverage, fees charged to food court tenants, gross income from property and project management, and interest and other income from money lending and other businesses, after eliminations of all significant intra-group transactions.

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

	2015 HK$'000	2014 HK$'000
Property investment	**56,117**	189,952
Property development *(Note)*	**123,888**	3,844,180
Treasury investment	**72,711**	50,298
Securities investment	**24,176**	55,815
Corporate finance and securities broking	**19,403**	28,905
Banking business	**22,280**	19,344
Sales of goods	**1,754,966**	1,651,713
Sales of food and beverage	**708,795**	706,414
Fees charged to food court tenants	**137,080**	130,198
Other	**54,779**	55,185
	2,974,195	6,732,004

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

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

	2015 HK$'000	2014 HK$'000
Interest income	**18,566**	17,032
Commission income	**3,714**	2,186
Other revenue	**–**	126
	22,280	19,344

6. PROFIT BEFORE TAX

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

	2015 HK$'000	2014 HK$'000
Employee benefit expense *(Note (a))*:		
Wages and salaries	**(630,289)**	(569,911)
Retirement benefit costs *(Note (b))*	**(47,910)**	(47,714)
Total staff costs	**(678,199)**	(617,625)
Interest income:		
Available-for-sale financial assets	**6,186**	5,295
Financial assets at fair value through profit or loss designated as such upon initial recognition	**–**	2,165
Loans and advances	**6,647**	8,670
Banking business	**18,566**	17,032
Other	**72,711**	50,298
Dividend income	**14,394**	13,045
Gain/(Loss) on disposal of:		
Financial assets at fair value through profit or loss	**3,596**	34,948
Derivative financial instruments	**(5,097)**	362
An investment property	**395**	–
Fixed assets	**(22)**	(139)
Net fair value gain/(loss) on:		
Financial assets at fair value through profit or loss	**(5,053)**	(59,676)
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	**(1,345)**	691
Derivative financial instruments	**(345)**	(8,574)
Write-back of provision/(Provisions) for impairment losses on *(Note (c))*:		
Joint ventures	**233**	(14,645)
Properties held for sale	**(889)**	1,086
Inventories	**(12,845)**	(13,826)
Bad and doubtful debts	**(7,239)**	(1,371)
Write-down of fixed assets	**(332)**	(2,695)
Interest expense attributable to the banking business	**(5,121)**	(4,048)
Depreciation	**(94,679)**	(98,807)
Amortisation of intangible assets *(Note (d))*	**(16,885)**	(17,267)
Foreign exchange gains/(losses) — net	**(15,338)**	8,281
Auditors' remuneration	**(13,125)**	(13,355)
Operating lease rentals:		
Minimum lease payments	**(262,542)**	(250,681)
Contingent rents	**(15,713)**	(20,893)
Direct operating expenses arising on rental-earning investment properties	**(7,060)**	(21,048)
Cost of inventories sold:		
Properties	**(65,505)**	(2,091,234)
Others	**(1,364,365)**	(1,309,236)

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 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, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and sections 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance, are as follows:

	2015 HK$'000	2014 HK$'000
Directors' fees	**4,339**	3,429
Basic salaries, allowances and benefits in kind	**10,166**	9,768
Discretionary bonuses paid and payable	**10,360**	10,000
Retirement benefit costs	**847**	169
	25,712	23,366

The emoluments paid to each of the directors during the year ended 31st March, 2015 are as follows:

2015	Directors' fees HK$'000	Basic salaries, allowances and benefits in kind HK$'000	Discretionary bonuses paid and payable HK$'000	Retirement benefit costs HK$'000	Total HK$'000
Executive directors:					
Stephen Riady	153	7,264	8,000	86	15,503
John Luen Wai Lee	212	1,848	2,000	36	4,096
Jark Pui Lee	17	1,054	360	725	2,156
	382	10,166	10,360	847	21,755
Non-executive director:					
Leon Nim Leung Chan	985	–	–	–	985
Independent non-executive directors:					
Edwin Neo	1,028	–	–	–	1,028
King Fai Tsui	960	–	–	–	960
Victor Ha Kuk Yung	984	–	–	–	984
	2,972	–	–	–	2,972
	4,339	10,166	10,360	847	25,712

7. DIRECTORS' EMOLUMENTS *(continued)*

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

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

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

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 (2014 — two Directors), details of whose emoluments are set out in Note 7 to the financial statements. Details of the emoluments of the remaining four (2014 — three) non-director, highest paid employees for the year are as follows:

	2015 HK$'000	2014 HK$'000
Basic salaries, allowances and benefits in kind	**10,876**	11,161
Discretionary bonuses paid and payable	**71,316**	25,453
Retirement benefit costs	**104**	141
	82,296	36,755

8. FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS *(continued)*

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

Emoluments bands (HK$):	**2015 Number of employees**	2014 Number of employees
3,000,001 – 3,500,000	**–**	1
5,000,001 – 5,500,000	**1**	–
6,500,001 – 7,000,000	**1**	–
10,000,001 – 10,500,000	**–**	1
19,000,001 – 19,500,000	**1**	–
23,000,001 – 23,500,000	**–**	1
50,500,001 – 51,000,000	**1**	–
	4	3

9. FINANCE COSTS

	2015 HK$'000	2014 HK$'000
Interest on bank and other borrowings	**53,601**	137,888
Interest on finance leases	**133**	70
Total interest	**53,734**	137,958
Less: Interest capitalised	**(13,998)**	(16,624)
	39,736	121,334

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

10. SHARE OF RESULTS OF JOINT VENTURES

Lippo ASM Asia Property Limited ("LAAPL") is a material joint venture of the Group, further details are given in Note 19 to the financial statements. For the year ended 31st March, 2015, the Group's share of profit in LAAPL amounted to approximately HK$369,061,000 (2014 — share of loss of HK$527,017,000). The share of profit recognised during the year was mainly attributable to the net fair value gain on investment portfolio and profit from the pre-sale units of a property development project upon completion during the year.

11. INCOME TAX

	2015 **HK$'000**	2014 HK$'000
Hong Kong:		
Charge for the year	**7,822**	4,417
Overprovision in prior years	**(10)**	(6,275)
Deferred *(Note 31)*	**(846)**	319
	6,966	(1,539)
Overseas:		
Charge for the year	**197,076**	921,305
Overprovision in prior years	**(7,805)**	(12,580)
Deferred *(Note 31)*	**(50,743)**	(14,520)
	138,528	894,205
Total charge for the year	**145,494**	892,666

Hong Kong profits tax has been provided at the rate of 16.5 per cent. (2014 — 16.5 per cent.) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

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:

	2015 **HK$'000**	2014 HK$'000
Profit before tax	**877,787**	1,269,335
Tax at the statutory tax rate of 16.5 per cent. (2014 — 16.5 per cent.)	**144,835**	209,440
Effect of different tax rates in other jurisdictions	**(43,475)**	163,062
Adjustments in respect of current tax of previous years	**(7,815)**	(18,855)
Profits and losses attributable to joint ventures and associates	**(69,440)**	63,575
Income not subject to tax	**(57,109)**	(86,237)
Expenses not deductible for tax	**141,024**	135,844
Effect of partial tax exemption and tax relief	**(5,480)**	(4,736)
Deferred tax on royalty income	**(573)**	1,184
Effect of withholding tax on the distributable profits of the Group's subsidiary in mainland China	**3,638**	62,327
Benefits from temporary differences previously unrecognised	**(2,939)**	(22,061)
Benefits from temporary differences not recognised	**34,377**	40,831
Land appreciation tax	**11,268**	464,389
Tax effect of land appreciation tax	**(2,817)**	(116,097)
Tax charge at the Group's effective rate	**145,494**	892,666

11. INCOME TAX *(continued)*

For the companies operating in the Republic of Singapore, Macau and mainland China, corporate taxes have been calculated on the estimated assessable profits for the year at the rates of 17 per cent., 12 per cent. and 25 per cent. (2014 — 17 per cent., 12 per cent. and 25 per cent.), respectively.

The share of tax charge attributable to associates and joint ventures amounting to HK$4,167,000 (2014 — HK$7,572,000) and HK$156,781,000 (2014 — HK$118,266,000), respectively, is included in "Share of results of associates" and "Share of results of joint ventures" on the face of the consolidated statement of profit or loss.

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 attributable to equity holders of the Company; and (ii) the weighted average number of approximately 493,154,000 ordinary shares (2014 — approximately 493,154,000 ordinary shares) in issue during the year.

(b) Diluted earnings per share

The Group had no potentially dilutive ordinary shares in issue during the years ended 31st March, 2015 and 2014.

13. DIVIDENDS

	2015 HK$'000	2014 HK$'000
Interim dividend, declared, of HK3 cents (2014 — HK3 cents) per ordinary share	**14,795**	14,795
Final dividend, proposed, of HK10 cents (2014 — HK10 cents) per ordinary share	**49,315**	49,315
	64,110	64,110

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

	Goodwill HK$'000	Trademarks and trademark licence agreement HK$'000	Other intangible assets HK$'000	Total HK$'000
2015				
Cost:				
At 1st April, 2014	**384,584**	**327,565**	**180,974**	**893,123**
Exchange adjustments	**(20,290)**	**(28,203)**	**(15,582)**	**(64,075)**
At 31st March, 2015	**364,294**	**299,362**	**165,392**	**829,048**
Accumulated amortisation and impairment losses:				
At 1st April, 2014	**201,525**	**21,665**	**110,223**	**333,413**
Amortisation provided for the year	**–**	**–**	**16,885**	**16,885**
Impairment during the year	**–**	**2,792**	**–**	**2,792**
Exchange adjustments	**(10,188)**	**(2,049)**	**(10,593)**	**(22,830)**
At 31st March, 2015	**191,337**	**22,408**	**116,515**	**330,260**
Net book value:				
At 31st March, 2015	**172,957**	**276,954**	**48,877**	**498,788**
2014				
Cost:				
At 1st April, 2013	412,010	332,060	183,457	927,527
Disposal of subsidiaries	(23,371)	–	–	(23,371)
Exchange adjustments	(4,055)	(4,495)	(2,483)	(11,033)
At 31st March, 2014	384,584	327,565	180,974	893,123
Accumulated amortisation and impairment losses:				
At 1st April, 2013	164,024	21,962	94,243	280,229
Amortisation provided for the year	–	–	17,267	17,267
Impairment during the year	61,667	–	–	61,667
Disposal of subsidiaries	(23,371)	–	–	(23,371)
Exchange adjustments	(795)	(297)	(1,287)	(2,379)
At 31st March, 2014	201,525	21,665	110,223	333,413
Net book value:				
At 31st March, 2014	183,059	305,900	70,751	559,710

14. INTANGIBLE ASSETS *(continued)*

Trademarks relate to the "Food Junction" 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 3 years (2014 — 4 years).

Customer relationships relate to tenancy agreements between the stallholders and the food court operators in the food court business. The remaining amortisation period is 3 years (2014 — 4 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.

As at 31st March, 2015, the carrying amounts of goodwill acquired through business combination allocated to the banking business and the food businesses for impairment testing were HK$71,485,000 (2014 — HK$71,485,000) and HK$101,472,000 (2014 — HK$111,574,000), respectively.

Impairment testing of goodwill for the banking business

The recoverable amount of the banking business CGU is determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to the cash flow projection is 6.5 per cent. (2014 — 6.0 per cent.). The growth rate used to extrapolate the cash flows of the banking business beyond the five-year period is assumed to be nil.

14. INTANGIBLE ASSETS *(continued)*

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

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	Compounded revenue growth rate per cent.	Long-term growth rate per cent.	Pre-tax discount rate per annum per cent.
At 31st March, 2015					
Auric Chun Yip Sdn Bhd *(Note (a))*	**15,776**	**–**	**10.9**	**3.0**	**14.4**
Auric Pacific Food Processing Sdn Bhd *(Note (a))*	**975**	**–**	**12.9**	**3.0**	**17.7**
Edmontor Investments Pte Ltd *(Note (b))*	**8,164**	**183,083**	**16.3**	**3.3**	**18.5**
Food Junction Holdings Limited *(Note (c))*	**56,911**	**93,871**	**15.7**	**3.1**	**18.5**
Malones Holdings Pte Ltd *(Note (d))*	**–**	**–**	**–**	**Nil**	**Nil**
All Around Limited *(Note (e))*	**19,646**	**–**	**0.9**	**2.5**	**12.6**
	101,472	**276,954**			
At 31st March, 2014					
Auric Chun Yip Sdn Bhd *(Note (a))*	17,774	–	12.5	3.0	16.0
Auric Pacific Food Processing Sdn Bhd *(Note (a))*	1,097	–	13.2	3.0	17.7
Edmontor Investments Pte Ltd *(Note (b))*	8,933	200,332	15.8	2.8	16.9
Food Junction Holdings Limited *(Note (c))*	62,273	102,709	9.3	2.6	20.2
Malones Holdings Pte Ltd *(Note (d))*	–	2,859	9.4	2.5	12.2
All Around Limited *(Note (e))*	21,497	–	9.9	2.5	12.6
	111,574	305,900			

14. INTANGIBLE ASSETS *(continued)*

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

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 five years (2014 — five years). Management has considered and determined the factors applied in these financial budgets which include budgeted gross margins and the target growth rates.

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, its recoverable amount exceeds its carrying amount by HK$73,115,000. The implication of the key assumptions for recoverable amount is discussed below:

Assumptions	Change	Decrease of recoverable amount HK$'000
Discount rate	1 per cent. increase	**31,213**
Long-term growth rate	1 per cent. decrease	**21,438**
Compounded annual growth rate	0.4 per cent. decrease	**73,115**

14. INTANGIBLE ASSETS *(continued)*

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

Sensitivity to changes in assumptions (continued)

For the year ended 31st March, 2014, the carrying amount of Edmontor Investments Pte Ltd after recognising the impairment loss approximated 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 years ended 31st March, 2015 and 2014, it was assessed that there was no impairment of 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, 2015, an impairment assessment had been performed for the goodwill and trademark licence agreement acquired for Edmontor Investments Pte Ltd and it was assessed that there was no impairment as the recoverable amount was in excess of the carrying value. For the year ended 31st March, 2014, an impairment loss of HK$61,667,000 was recognised as the recoverable amount was below the carrying value.

(c) For the years ended 31st March, 2015 and 2014, impairment assessment had been performed for the goodwill acquired for Food Junction Holdings Limited and it was assessed that there was no impairment as the recoverable amount was in excess of the carrying value.

(d) For the year ended 31st March, 2015, impairment assessment had been performed for the trademark of Malones Holdings Pte Ltd and an impairment loss of HK$2,792,000 (2014 — Nil) was recognised as the Group intends to discontinue the restaurant in mainland China.

(e) For the years ended 31st March, 2015 and 2014, impairment assessment review had been performed for the goodwill and trademark acquired by Food Junction Holdings Limited in All Around Ltd and it was assessed that there was no impairment as the recoverable amount was in excess of the carrying value.

15. EXPLORATION AND EVALUATION ASSETS

	2015 **HK$'000**	2014 HK$'000
Cost:		
Balance at beginning of year	**123,739**	124,296
Additions during the year	**3,316**	10,056
Exchange adjustments	**(15,799)**	(10,613)
Balance at end of year	**111,256**	123,739
Accumulated impairment losses:		
Balance at beginning of year	**28,444**	26,951
Impairment during the year	**95,410**	3,879
Exchange adjustments	**(13,638)**	(2,386)
Balance at end of year	**110,216**	28,444
Net book value	**1,040**	95,295

During the year ended 31st March, 2015, impairment loss of HK$95,410,000 has been charged to the consolidated statement of profit or loss. This impairment was based on identified indicators of impairment that resulted from a downturn in the junior mining exploration sector, unfavorable changes in the project economics, inability to raise financing necessary to continue exploration or further development and significant decreases in the current or expected future prices of mineral resources. During the year ended 31st March, 2014, impairment loss of HK$3,879,000 was 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.

16. FIXED ASSETS

	Leasehold land and buildings HK$'000	Leasehold improvements, furniture, fixtures, plant and equipment and motor vehicles HK$'000	Yacht HK$'000	Construction in progress HK$'000	Total HK$'000
2015					
Cost or valuation:					
At 1st April, 2014	317,245	597,330	–	2,300	916,875
Additions during the year *(Note)*	–	122,040	52,262	490	174,792
Disposals during the year	(61,283)	(54,861)	–	–	(116,144)
Write-off during the year	–	(45,337)	–	(1,869)	(47,206)
Reclassification	–	62	–	(62)	–
Exchange adjustments	(10,252)	(29,633)	–	(76)	(39,961)
At 31st March, 2015	245,710	589,601	52,262	783	888,356
Accumulated depreciation and impairment losses:					
At 1st April, 2014	154,500	401,213	–	2,226	557,939
Depreciation provided for the year	6,225	85,165	3,289	–	94,679
Disposals during the year	(45,350)	(53,829)	–	–	(99,179)
Write-off during the year	–	(45,005)	–	(1,869)	(46,874)
Exchange adjustments	(6,563)	(21,453)	(216)	(70)	(28,302)
At 31st March, 2015	108,812	366,091	3,073	287	478,263
Net book value:					
At 31st March, 2015	136,898	223,510	49,189	496	410,093

16. FIXED ASSETS *(continued)*

	Leasehold land and buildings HK$'000	Leasehold improvements, furniture, fixtures, plant and equipment and motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
2014				
Cost or valuation:				
At 1st April, 2013	318,629	553,577	2,925	875,131
Additions during the year *(Note)*	80	93,455	–	93,535
Disposals during the year	–	(18,979)	–	(18,979)
Write-off during the year	–	(23,528)	–	(23,528)
Reclassification	–	216	(216)	–
Exchange adjustments	(1,464)	(7,411)	(409)	(9,284)
At 31st March, 2014	317,245	597,330	2,300	916,875
Accumulated depreciation and impairment losses:				
At 1st April, 2013	149,393	323,041	2,257	474,691
Depreciation provided for the year	6,105	92,702	–	98,807
Impairment during the year	–	27,288	–	27,288
Disposals during the year	–	(16,959)	–	(16,959)
Write-off during the year	–	(20,833)	–	(20,833)
Exchange adjustments	(998)	(4,026)	(31)	(5,055)
At 31st March, 2014	154,500	401,213	2,226	557,939
Net book value:				
At 31st March, 2014	162,745	196,117	74	358,936

Note: The amounts include HK$1,297,000 (2014 — HK$2,324,000) of obligations under finance leases, HK$4,221,000 (2014 — HK$5,000,000) of reinstatement costs for dismantling, removal and restoration of fixed assets which were provided for and HK$18,305,000 (2014 — Nil) of reclassification from deposits paid. Cash payments of HK$150,969,000 (2014 — HK$86,211,000) 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, 2015 was amounted to HK$2,834,000 (2014 — HK$3,952,000). Leased assets are pledged as security for the related finance lease obligations as set out in Note 28 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 28 to the financial statements.

During the year ended 31st March, 2014, an impairment loss of HK$27,288,000 was recognised in the consolidated statement of profit or loss as the Group intended to cease the operations of several loss-making retail outlets of certain entities in the food businesses segment and as a result of the ongoing review of its operations.

17. INVESTMENT PROPERTIES

	2015 **HK$'000**	2014 HK$'000
Balance at beginning of year	**2,353,558**	4,721,327
Additions during the year	**287**	70,247
Disposal of subsidiaries during the year	**(933,840)**	(2,582,891)
Disposal during the year	**(5,041)**	–
Reclassification from deposit paid	**–**	11,293
Fair value adjustments	**74,647**	46,511
Exchange adjustments	**(5,742)**	87,071
Balance at end of year	**1,483,869**	2,353,558

Certain investment properties have been mortgaged to secure banking facilities made available to the Group as set out in Note 28 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, 2015 made by Asian Appraisal Company, Inc., CBRE, Inc., Dalia Assis, RHL Appraisal Limited and Vigers Appraisal and Consulting Limited, independent qualified valuers, the investment properties were revalued on an open market, existing use basis at HK$1,483,869,000 (2014 — HK$2,353,558,000).

17. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	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
At 31st March, 2015				
Recurring fair value measurement for:				
Completed investment properties in:				
Hong Kong	**–**	**–**	**1,017,750**	**1,017,750**
Mainland China and overseas	**–**	**–**	**466,119**	**466,119**
	–	**–**	**1,483,869**	**1,483,869**
At 31st March, 2014				
Recurring fair value measurement for:				
Completed investment properties in:				
Hong Kong	–	–	1,415,600	1,415,600
Mainland China and overseas	–	–	708,465	708,465
	–	–	2,124,065	2,124,065
Investment properties under development in mainland China	–	–	229,493	229,493
	–	–	2,353,558	2,353,558

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2014 — Nil).

17. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy *(continued)*

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
2015		
Carrying amount at 1st April, 2014	**2,124,065**	**229,493**
Additions	**287**	**–**
Disposal of subsidiaries	**(704,176)**	**(229,664)**
Disposal	**(5,041)**	**–**
Net gain from fair value adjustments	**74,647**	**–**
Exchange adjustments	**(5,913)**	**171**
Carrying amount at 31st March, 2015	**1,483,869**	**–**
2014		
Carrying amount at 1st April, 2013	4,534,347	186,980
Additions	70,247	–
Disposal of subsidiaries	(2,582,891)	–
Reclassification from deposit paid	11,293	–
Net gain from fair value adjustments	7,442	39,069
Exchange adjustments	83,627	3,444
Carrying amount at 31st March, 2014	2,124,065	229,493

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$260,000 (2014 — HK$122,000 to HK$425,500)
Mainland China and overseas	Market approach	Price per square metre	HK$7,500 to HK$76,000 (2014 — HK$11,500 to HK$88,600)
	Income approach	Rental per square metre per month	HK$126 to HK$258 (2014 — HK$125 to HK$240)
		Capitalisation rate	4.5 per cent. to 5.0 per cent. (2014 — 5.5 per cent. to 6.0 per cent.)
Investment properties under development in mainland China	Market approach	Price per square metre	2014 — 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 referring to comparable sales transactions as available in the market. The key input was the market price per square metre, with a significant increase/decrease in the market price would result in a significant increase/decrease in the fair value of the investment properties.

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

18. INTERESTS IN ASSOCIATES

	2015 **HK$'000**	2014 HK$'000
Share of net assets	**524,094**	526,449
Goodwill	**470**	–
Due from associates	**144,406**	169,793
	668,970	696,242
Provisions for impairment losses	**(141,768)**	(127,641)
	527,202	568,601

The balances with the associates include a loan of HK$36,495,000 (2014 — HK$36,509,000), which bears interest at 8.5 per cent. per annum and is repayable on demand.

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$14,974,000 (2014 — HK$28,589,000) has been charged to the consolidated statement of profit or loss for the year.

As at 31st March, 2014, the Group held approximately 13.4 per cent. interests in Haranga Resources Limited ("Haranga") which was recognised as financial assets at fair value through profit or loss. During the year, the Group subscribed for 19,850,000 new shares at $0.018 Australian dollar ("A$") per share in Haranga for an aggregate consideration of A$357,300 (equivalent to approximately HK$2,336,000). The Group also took up 62,478,963 shares in Haranga for an aggregate consideration of approximately A$1,125,000 (equivalent to approximately HK$7,163,000) under the rights issue of Haranga at the same price. As a consequence, the Group's interests in Haranga increased to approximately 33.6 per cent. and Haranga became an associate of the Group. The major assets of Haranga is the deferred exploration and evaluation expenditure. In connection with the fair value assessments on the net assets acquired (including the deferred exploration and evaluation expenditure) from the business combination activities, the Group has engaged an external valuer to perform fair value assessment on the deferred exploration and evaluation expenditure. As at 31st March, 2015, the initial accounting for business combination has not been completed.

Details of the principal associates are set out on pages 165 and 166.

18. INTERESTS IN ASSOCIATES *(continued)*

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

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

	2015 HK$'000	2014 HK$'000
Current assets	**887,452**	1,029,138
Current liabilities	**(20,900)**	(31,269)
Non-current liabilities	**(86,628)**	(181,099)
Net assets	**779,924**	816,770
Reconciliation to the Group's interest in the associate:		
Group's share of net assets of the associate	**389,962**	408,385
Due from associate	**43,314**	90,549
Carrying amount of the investment	**433,276**	498,934
Revenue for the year	**110,074**	243,893
Profit and total comprehensive income for the year	**35,832**	69,518

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

	2015 HK$'000	2014 HK$'000
Share of the associates' profit/(loss) for the year	**11,053**	(77,605)
Share of the associates' other comprehensive loss for the year	**(1,258)**	–
Share of the associates' total comprehensive income/(loss) for the year	**9,795**	(77,605)
Aggregate carrying amount of the Group's interests in the associates	**93,926**	69,667

19. INTERESTS IN JOINT VENTURES

	2015 **HK$'000**	2014 HK$'000
Share of net assets	**7,740,445**	7,973,132
Due from joint ventures	**145,330**	105,935
	7,885,775	8,079,067
Provisions for impairment losses	**(16,631)**	(16,864)
	7,869,144	8,062,203

The balances with the joint ventures include a loan of HK$58,112,000 (2014 — HK$63,587,000), which is unsecured, bears interest at 9.5 per cent. per annum and is repayable in 2015. The remaining balances with the joint ventures are unsecured, interest-free and have no fixed terms of repayment and are considered as quasi-equity investments in the joint ventures.

During the year, the Directors reviewed the carrying amount of the joint ventures with reference to their business performances prepared by the investees' management. Reversal of impairment loss of HK$233,000 (2014 — impairment loss of HK$14,645,000) has been credited to the consolidated statement of profit or loss for the year.

Details of the principal joint ventures are set out on pages 167 and 168.

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

19. INTERESTS IN JOINT VENTURES (continued)

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

	2015 HK$'000	2014 HK$'000
Non-current assets	**35,282,940**	35,034,704
Cash and cash equivalents	**1,891,722**	5,884,277
Other current assets	**7,063,661**	5,451,687
Current assets	**8,955,383**	11,335,964
Financial liabilities, excluding trade and other payables	**(6,374,791)**	(2,877,982)
Other current liabilities	**(1,602,066)**	(1,330,981)
Current liabilities	**(7,976,857)**	(4,208,963)
Non-current financial liabilities, excluding trade and other payables and provisions	**(14,760,601)**	(20,178,300)
Other non-current liabilities	**(719,957)**	(786,443)
Non-current liabilities	**(15,480,558)**	(20,964,743)
Net assets	**20,780,908**	21,196,962
Reconciliation to the Group's interest in the joint venture:		
Net assets	**20,780,908**	21,196,962
Less: Non-controlling interests	**(12,664,381)**	(12,952,179)
Net assets attributable to equity holders of the joint venture	**8,116,527**	8,244,783
Group's share of net assets of the joint venture	**7,651,954**	7,772,983
Due from the joint venture	**101,818**	81,634
Adjustment for unrealised gain	**(12,954)**	(12,954)
Carrying amount of the investment	**7,740,818**	7,841,663
Revenue	**3,341,666**	2,370,925
Interest income	**53,026**	23,509
Depreciation and amortisation	**(139,976)**	(169,921)
Interest expenses	**(793,844)**	(890,190)
Tax	**(258,903)**	(137,006)
Profit/(Loss) for the year attributable to equity holders of the joint venture	**391,542**	(559,120)
Other comprehensive loss for the year attributable to equity holders of the joint venture	**(540,642)**	(30,939)
Total comprehensive loss for the year attributable to equity holders of the joint venture	**(149,100)**	(590,059)

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:

	2015 HK$'000	2014 HK$'000
Share of the joint ventures' profit for the year	**22,813**	184,559
Share of the joint ventures' other comprehensive income/(loss) for the year	**(3,568)**	489
Share of the joint ventures' total comprehensive income for the year	**19,245**	185,048
Aggregate carrying amount of the Group's interests in the joint ventures	**128,326**	220,540

As at 31st March, 2015, the Group's share of joint ventures' own capital commitment amounted to HK$840,282,000 (2014 — HK$784,146,000).

The Group's trade receivable balance due from joint ventures is disclosed in Note 22 to the financial statements.

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 HK$'000	2014 HK$'000
Financial assets stated at fair value:		
Equity securities	**55**	51
Debt securities	**86,068**	84,021
Investment funds	**19,628**	10,768
	105,751	94,840
Financial assets stated at cost:		
Equity securities	**201,685**	196,420
Debt securities	**11,663**	11,663
Investment funds	**112,482**	104,944
	325,830	313,027
Provisions for impairment losses	**(201,886)**	(181,587)
	123,944	131,440
	229,695	226,280
Less: Amount classified under current portion	**(24,047)**	(3,753)
Non-current portion	**205,648**	222,527

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

The debt securities bear interest at effective rates ranging from nil to 14 per cent. (2014 — nil to 14 per cent.) per annum.

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$533,000 (2014 — HK$6,075,000), of which loss of HK$4,000 (2014 — gain of HK$118,591,000) 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 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 available-for-sale financial assets cannot be reliably measured.

During the year, 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$31,647,000 (2014 — HK$14,290,000), which included a reclassification from other comprehensive income of HK$3,187,000 (2014 — Nil) has been charged to the consolidated statement of profit or loss for the year.

21. LOANS AND ADVANCES

The loans and advances to customers of the Group bear interest at effective rates ranging from 1.8 per cent. to 14.0 per cent. (2014 — 3.0 per cent. to 9.0 per cent.) per annum. Certain balances arising from securities broking and banking operations are secured by clients' properties, deposits and securities being held as collaterals with a carrying amount of HK$895,374,000 (2014 — HK$871,194,000).

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

	2015 **HK$'000**	2014 HK$'000
Balance at beginning of year	**6,845**	6,770
Allowance for bad and doubtful debts	**487**	176
Impairment allowance released	**(10)**	(101)
Amount written off as uncollectible	**(32)**	–
Balance at end of year	**7,290**	6,845

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

22. 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:

	2015 **HK$'000**	2014 HK$'000
Outstanding balances with ages:		
Repayable on demand	**10,293**	45,580
Within 30 days	**150,798**	247,354
Between 31 and 60 days	**111,699**	78,187
Between 61 and 90 days	**92,569**	39,472
Between 91 and 180 days	**26,312**	13,661
Over 180 days	**715**	117
	392,386	424,371

Trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, a credit period is allowed according to relevant business practice. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by senior management. Except for receivables from certain securities brokers which are interest-bearing, the balances of trade debtors are non-interest-bearing.

Included in the trade debtors is an amount of HK$5,382,000 (2014 — HK$3,344,000) due from joint ventures of the Group. The amount due from joint ventures arose from sales made to and management services provided to the joint ventures, and is unsecured, non-interest-bearing and repayable within normal trade credit terms and is to be settled in cash.

At the end of the reporting period, the individually impaired trade and other receivables related to securities broking operation, property development projects and the food businesses segment with an aggregate carrying amount of HK$40,668,000 (2014 — HK$47,409,000). The Group does not hold sufficient 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 are as follows:

	2015 **HK$'000**	2014 HK$'000
Balance at beginning of year	**45,746**	48,179
Allowance for bad and doubtful debts	**7,476**	5,254
Impairment allowance released	**(714)**	(3,958)
Amount written off as uncollectible	**(9,496)**	(2,626)
Exchange adjustments	**(2,998)**	(1,103)
Balance at end of year	**40,014**	45,746

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

As at 31st March, 2015, trade and other receivables of HK$118,694,000 (2014 — HK$170,609,000) 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:

	2015 HK$'000	2014 HK$'000
Outstanding balances with ages:		
Within 30 days	**91,340**	103,307
Between 31 and 60 days	**14,076**	29,086
Between 61 and 90 days	**8,447**	18,020
Between 91 and 180 days	**3,095**	17,786
Over 180 days	**1,736**	2,410
	118,694	170,609

23. PROPERTIES UNDER DEVELOPMENT

	2015 HK$'000	2014 HK$'000
Land and buildings situated outside Hong Kong, at cost:		
Balance at beginning of year	**1,388,644**	2,924,624
Additions during the year	**292,874**	681,827
Reclassified to properties held for sale	**–**	(2,254,236)
Exchange adjustments	**(5,323)**	36,429
Balance at end of year	**1,676,195**	1,388,644
Provisions for impairment losses:		
Balance at beginning of year	**(202,303)**	(199,948)
Impairment during the year	**(60,216)**	–
Exchange adjustments	**1,442**	(2,355)
Balance at end of year	**(261,077)**	(202,303)
	1,415,118	1,186,341

Certain properties under development have been mortgaged to secure banking facilities made available to the Group as set out in Note 28 to the financial statements.

24. INVENTORIES

	2015 HK$'000	2014 HK$'000
Raw materials and stores	**19,934**	20,591
Finished goods and goods for sale	**254,694**	260,293
	274,628	280,884

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 HK$'000	2014 HK$'000
Held for trading:		
Equity securities	**494,778**	319,788
Investment funds	**18,483**	28,100
	513,261	347,888

26. OTHER FINANCIAL ASSETS/LIABILITIES

	2015		2014	
	Assets HK$'000	**Liabilities HK$'000**	Assets HK$'000	Liabilities HK$'000
Derivative financial instruments:				
Options	**169**	**–**	–	–
Futures	**–**	**–**	–	259
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	**–**	**4,522**	–	15,739
	169	**4,522**	–	15,998

27. RESTRICTED CASH

The balance includes bank deposits pledged to secure banking facilities made available to the Group and as securities for bankers' guarantees issued as set out in Notes 28 and 39 to the financial statements, respectively.

The balance as at 31st March, 2014 also included certain amounts of the sale proceeds received by a subsidiary of the Group engaging in property development that were placed with designated bank accounts under supervision pursuant to relevant rules and regulations. Such balance was fully released during the year ended 31st March, 2015.

28. BANK AND OTHER BORROWINGS

	2015 HK$'000	2014 HK$'000
Current portion:		
Bank loans:		
Secured *(Note (a))*	**1,271,370**	1,165,387
Unsecured	**37,879**	41,195
Obligations under finance leases *(Note (b))*	**614**	715
	1,309,863	1,207,297
Non-current portion:		
Secured bank loans *(Note (a))*	**485,000**	130,000
Obligations under finance leases *(Note (b))*	**2,220**	3,237
	487,220	133,237
	1,797,083	1,340,534
Bank and other borrowings by currency:		
Hong Kong dollar	**1,752,583**	1,289,082
Renminbi	**3,787**	6,305
Malaysian Ringgit	**18,176**	45,147
Singapore dollar	**22,537**	–
	1,797,083	1,340,534
Bank loans repayable:		
Within one year	**1,309,249**	1,206,582
In the second year	**80,000**	130,000
In the third to fifth years, inclusive	**405,000**	–
	1,794,249	1,336,582
Other borrowings repayable:		
Within one year	**614**	715
In the second year	**473**	598
In the third to fifth years, inclusive	**1,415**	2,639
After five years	**332**	–
	2,834	3,952

The Group's bank loans bear interest at floating rates ranging from 2.2 per cent. to 7.1 per cent. (2014 — 2.4 per cent. to 7.3 per cent.) per annum.

28. BANK AND OTHER BORROWINGS *(continued)*

Note:

(a) At the end of the reporting period, the bank loans were secured by:

(i) shares in certain listed subsidiaries of the Group with market value of HK$3,240,652,000 (2014 — HK$4,358,260,000);

(ii) first legal mortgages over certain investment properties, leasehold land and buildings and properties under development of the Group with carrying amounts of HK$979,750,000 (2014 — HK$1,486,259,000), HK$99,292,000 (2014 — HK$118,018,000) and HK$1,025,480,000 (2014 — HK$602,118,000), respectively; and

(iii) certain bank deposits of the Group with a carrying amount of HK$72,201,000 (2014 — HK$98,259,000).

(b) The Group has obligations under finance leases for certain fixed assets. The implicit average interest rate in the leases ranges from 2.5 per cent. to 3.8 per cent. (2014 — 3.8 per cent. to 5.0 per cent.) per annum. At the end of the reporting period, the obligations under finance leases were secured by rights to certain leased fixed assets of the Group with a carrying amount of HK$2,834,000 (2014 — HK$3,952,000).

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

	2015		2014	
	Present value of minimum lease payments HK$'000	**Minimum lease payments HK$'000**	Present value of minimum lease payments HK$'000	Minimum lease payments HK$'000
Within one year	**614**	**716**	715	789
In the second year	**473**	**541**	598	678
In the third to fifth years, inclusive	**1,415**	**1,628**	2,639	2,842
After five years	**332**	**383**	–	–
	2,834	**3,268**	3,952	4,309
Future finance charges		**(434)**		(357)
		2,834		3,952

29. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

Creditors, accruals and deposits received mainly comprised of pre-sale proceeds received from the property development projects of the Group of HK$429,809,000 (2014 — HK$408,735,000) and trade creditors relating to food businesses, security broking operation and property development projects.

An aged analysis of trade creditors, based on the invoice date, are as follows:

	2015 **HK$'000**	2014 HK$'000
Outstanding balances with ages:		
Repayable on demand	**308,577**	331,841
Within 30 days	**199,813**	207,908
Between 31 and 60 days	**22,739**	21,309
Between 61 and 90 days	**1,741**	16,769
Between 91 and 180 days	**11,838**	19,669
Over 180 days	**3,307**	2,811
	548,015	600,307

The outstanding trade creditors included payables relating to cash balances held on trust for the customers in respect of the Group's securities broking operation of HK$333,434,000 (2014 — HK$357,899,000). As at 31st March, 2015, total client trust bank balances amounted to HK$324,982,000 (2014 — HK$311,353,000).

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

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

The current, fixed, savings and other deposits of customers attributable to banking operation bear interest at effective rates ranging from 0.01 per cent. to 3.0 per cent. (2014 — 0.01 per cent. to 3.0 per cent.) per annum.

31. DEFERRED TAX

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

	Depreciation allowance in excess of related depreciation HK$'000	Revaluation of properties HK$'000	Fair value gains on available-for-sale financial assets HK$'000	Tax losses HK$'000	Provision and accruals HK$'000	Others HK$'000	Total HK$'000
2015							
At 1st April, 2014	**26,623**	**122,385**	**1,909**	**(4,260)**	**(7,805)**	**75,867**	**214,719**
Deferred tax charged/(credited) to the statement of profit or loss during the year *(Note 11)*	**(3,786)**	**8,122**	**–**	**30**	**(283)**	**(55,672)**	**(51,589)**
Deferred tax credited to equity during the year	**–**	**–**	**(1,025)**	**–**	**–**	**–**	**(1,025)**
Disposal of subsidiaries *(Note 36)*	**(4,461)**	**(61,782)**	**–**	**2,937**	**–**	**–**	**(63,306)**
Exchange adjustments	**(1,040)**	**110**	**–**	**–**	**754**	**(954)**	**(1,130)**
At 31st March, 2015	**17,336**	**68,835**	**884**	**(1,293)**	**(7,334)**	**19,241**	**97,669**
2014							
At 1st April, 2013	26,357	691,701	4,337	(3,900)	(7,380)	18,805	729,920
Deferred tax charged/(credited) to the statement of profit or loss during the year *(Note 11)*	884	(71,428)	–	(360)	(580)	57,283	(14,201)
Deferred tax credited to equity during the year	–	–	(2,428)	–	–	–	(2,428)
Disposal of subsidiaries *(Note 36)*	–	(518,100)	–	–	–	–	(518,100)
Exchange adjustments	(618)	20,212	–	–	155	(221)	19,528
At 31st March, 2014	26,623	122,385	1,909	(4,260)	(7,805)	75,867	214,719

31. DEFERRED TAX *(continued)*

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

	2015 HK$'000	2014 HK$'000
Deferred tax assets	**(6,812)**	(6,708)
Deferred tax liabilities	**104,481**	221,427
Net deferred tax liabilities	**97,669**	214,719

The Group has tax losses of HK$1,498,544,000 (2014 — HK$1,301,122,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose, except for tax losses of HK$163,019,000 (2014 — HK$155,236,000) 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$46,592,000 (2014 — HK$22,519,000) available for offset future taxable income, subject to compliance with the relevant rules and procedures and agreement of the respective tax authorities. The Group did not recognise those deferred tax assets as it is not probable that taxable profits will be available against which the deferred tax assets can be utilised.

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

As at 31st March, 2015, except for withholding tax provided for under deferred tax liabilities, there were no significant unrecognised deferred tax liabilities (2014 — 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.

32. SHARE CAPITAL

	2015 **HK$'000**	2014 HK$'000
Issued and fully paid:		
493,154,032 (2014 — 493,154,032) ordinary shares	**986,598**	986,598

There was no movement in share capital during the year ended 31st March, 2015.

During the year ended 31st March, 2014, the movement in share capital was as follows:

	No. of shares in issue	Share capital HK$'000
At 1st April, 2013	493,154,032	49,316
Transfer to share capital *(Note)*	–	937,282
At 31st March, 2014	493,154,032	986,598

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 share capital.

33. SHARE OPTION SCHEMES

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

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

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

33. 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 43,373,501 shares (the "Scheme Mandate Limit"). The Scheme Mandate Limit may be renewed with prior approval of the shareholders of the Company. The total number of shares issued and to be issued upon exercise of options granted and to be granted under the Share Option Scheme to any single Eligible Person, whether or not already a grantee, in any 12-month period shall be subject to a limit that it shall not exceed 1 per cent. of the issued shares of the Company at the relevant time. The exercise price for the shares under the Share Option Scheme shall be determined by the Board at its absolute discretion but in any event shall not be less than the highest of (i) the closing price of the shares of the Company on the date of grant of the option, as stated in the daily quotations sheets of The Stock Exchange 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 shares in the Company.

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

(b) Share Option Scheme of Lippo China Resources Limited adopted on 7th June, 2007

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

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

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

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

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

33. SHARE OPTION SCHEMES *(continued)*

(d) Share Option Schemes of Asia Now Resources Corp.

Terminated Incentive Stock Option Plan of Asia Now Resources Corp.

An incentive stock option plan of Asia Now, a listed subsidiary of the Company, was adopted on 30th April, 2007 and amended and restated on 17th February, 2011 and approved by the shareholders of Asia Now. Such option plan was subsequently terminated during the financial year ended 31st March, 2014 (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 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 eligible persons with additional incentive, encouraging equity ownership by such eligible persons in the success of Asia Now, encouraging eligible persons to remain with Asia Now or its affiliates and attracting new employees, directors and officers. The options granted must be exercised no later than five years after the date of grant. Subject to ANR Board's sole discretion in modifying the vesting of options, the options granted under the Terminated ANR Stock Option Plan vested, and became exercisable, as to 25 per cent. on the date of grant and 25 per cent. on each six-month anniversary of the date of grant (the "Vesting Period"). However, subject to the provisions of the Terminated ANR Stock Option Plan, the ANR Board had the authority to determine the terms, limitations, restrictions and conditions respecting the grant of options. No grantee of option was required to pay for the grant of the relevant option.

A maximum of 11,100,000 ANR Shares, representing approximately 10 per cent. of Asia Now's issued share capital, were reserved for issuance upon exercise of options granted under the Terminated ANR Stock Option Plan. The maximum number of ANR Shares which was reserved for issuance to any one person in any 12-month period under the Terminated ANR Stock Option Plan was 5 per cent. of the ANR Shares issued and outstanding at the time of grant (on a non-diluted basis). The option exercise price was determined by the ANR Board in its sole discretion and was not less than the closing price of the ANR Shares on TSX Venture Exchange of Canada (the "Venture Exchange") 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).

As at 1st April, 2014, there were 400,000 outstanding options granted under the Terminated ANR Stock Option Plan (the "ANR Options") to subscribe for a total of 400,000 ANR Shares. Of this total, 350,000 ANR Options have an exercise price of $0.30 Canadian dollar ("C$") per share (subject to adjustment) and are subject to the Vesting Period. The remaining 50,000 ANR Options, which had an exercise price of C$0.25 per share and remained unexercised, expired on 10th September, 2014 and lapsed accordingly. As at 1st April, 2014, all the above ANR Options were vested.

33. SHARE OPTION SCHEMES *(continued)*

(d) Share Option Schemes of Asia Now Resources Corp. *(continued)*

Terminated Incentive Stock Option Plan of Asia Now Resources Corp. (continued)

During the year, movements in the ANR Options granted under the Terminated ANR Stock Option Plan are summarised as follows:

				Number of ANR Options		
Participants	**Date of grant**	**Expiry date**	**Exercise price per share (subject to adjustment) C$**	**Balance as at 1st April, 2014**	**Lapsed during the year**	**Balance as at 31st March, 2015**
Employees *(Note)*	10th September, 2009	10th September, 2014	0.25	**50,000**	**(50,000)**	**–**
	17th February, 2011	17th February, 2016	0.30	**350,000**	**–**	**350,000**
Total				**400,000**	**(50,000)**	**350,000**
Weighted average exercise price per ANR Share (C$)				**0.29**	**0.25**	**0.30**

Note: Employees refer to the employees of Asia Now and its subsidiaries as at 31st March, 2015 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.

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

33. SHARE OPTION SCHEMES *(continued)*

(d) Share Option Schemes of Asia Now Resources Corp. *(continued)*

Share Option Scheme of Asia Now Resources Corp. adopted on 11th September, 2014

A new share option scheme of Asia Now (the "ANR Share Option Scheme"), which was approved by the shareholders of Asia Now, LCR and the Company, was adopted on 11th September, 2014 (the "ANR Adoption Date"). Pursuant to the ANR Share Option Scheme, the ANR Board shall be entitled at any time to offer to grant an option to subscribe for ANR Shares to any eligible person including director or senior officer of Asia Now, and employee (the "ANR Eligible Employee") and consultant of Asia Now and its subsidiaries (together, the "ANR Eligible Person") whom the ANR Board may, in its absolute discretion, select and subject to such conditions as it may think fit. The purpose of the ANR Share Option Scheme is to provide ANR Eligible Persons with the opportunity to acquire proprietary interests in Asia Now and to encourage ANR Eligible Persons to work towards enhancing the value of Asia Now and its shares for the benefit of Asia Now and its shareholders as a whole. The ANR Share Option Scheme shall be valid and effective for the period of ten years commencing on the ANR Adoption Date. Under the rules of the ANR Share Option Scheme, no further options shall be granted on and after the tenth anniversary of the ANR 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. No option may be exercised by an ANR Eligible Employee until such ANR Eligible Employee has been in continuous employment with Asia Now or its subsidiary or has been appointed as a director for a period of one calendar year from the date of such ANR Eligible Employee's commencement of employment with or appointment by Asia Now or its subsidiary. In respect of an ANR Eligible Person who is not an ANR Eligible Employee, the ANR Board may in its absolute discretion specify such minimum period for which an option must be held before such option can be exercised. In respect of an ANR Eligible Person (whether or not an ANR Eligible Employee), the ANR Board may in its absolute discretion make the exercise of an option conditional on the achievement of minimum performance target(s). No grantee of option is required to pay for the grant of the relevant option.

33. SHARE OPTION SCHEMES *(continued)*

(d) Share Option Schemes of Asia Now Resources Corp. *(continued)*

Share Option Scheme of Asia Now Resources Corp. adopted on 11th September, 2014 (continued)

The overall limit on the number of ANR Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the ANR Share Option Scheme and other share option schemes must not exceed 20 per cent. of the ANR Shares in issue on the ANR Adoption Date. The maximum number of ANR Shares in respect of which options may be granted under the ANR Share Option Scheme shall not (when aggregated with any ANR Shares subject to grants made after the ANR Adoption Date pursuant to any other share option scheme(s) of Asia Now) exceed 10 per cent. of the issued share capital of Asia Now on the ANR Adoption Date (the "ANR Scheme Mandate Limit"). The ANR Scheme Mandate Limit may be renewed at any time subject to prior approval of the Toronto Stock Exchange (as defined below) and shareholders of Asia Now and its relevant holding companies but in any event shall not exceed 10 per cent. of the issued share capital of Asia Now as at the date of approval of the renewal of the ANR Scheme Mandate Limit. A maximum of 11,332,079 ANR Shares, representing approximately 10 per cent. of Asia Now's issued share capital, are reserved for issuance upon exercise of options granted under the ANR Share Option Scheme. The total number of ANR Shares issued and to be issued upon exercise of options granted and to be granted under the ANR Share Option Scheme to any single ANR 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 ANR Shares in issue at the relevant time. The exercise price for the ANR Shares under the ANR Share Option Scheme shall be determined by the ANR Board in its absolute discretion but in any event shall not be less than the highest of (i) the closing price of the ANR Shares on the date of grant of the option, as stated in the daily quotations sheets of the Venture Exchange or the Toronto Stock Exchange, as applicable, being the stock exchange on which the ANR Shares are primarily listed (the "Toronto Stock Exchange"); (ii) the average closing price of the ANR Shares for the five trading days immediately preceding the date of grant of the option, as stated in the daily quotations sheet of the Toronto Stock Exchange; and (iii) the floor price which means the last closing price of the ANR Shares on the Toronto Stock Exchange before the date the option is granted less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of C$0.05):

Closing Price	Discount
Up to C$0.50	25 per cent.
C$0.51 to C$2.00	20 per cent.
Above C$2.00	15 per cent.

No option of Asia Now was granted, exercised, cancelled or lapsed under the ANR Share Option Scheme during the year.

There are no outstanding options granted under the ANR Share Option Scheme to subscribe for ANR Shares.

34. RESERVES

The amounts of the Group's reserves and movements therein for the current and the prior years are presented in the consolidated statement of changes in equity on page 50.

Included in the retained profits of the Group as at 31st March, 2015 was an amount of final dividend for the year then ended of HK$49,315,000 (2014 — HK$49,315,000) proposed after the end of the reporting period.

Note:

(a) Special capital reserve

Pursuant to a special resolution passed at an extraordinary general meeting of the Company on 23rd December, 1998 and the subsequent confirmation by the court on 26th January, 1999, the then entire amount standing to the credit of the share capital account of the Company of approximately HK$1,709,202,000 was cancelled on 27th January, 1999 (the "Cancellation"). The credit arising from the Cancellation was transferred to a special capital reserve account.

(b) Legal reserve

The legal reserve represents the part of reserve generated by a banking subsidiary of the Company which may only be distributable in accordance with certain limited circumstances prescribed by the statute of the country in which the subsidiary operates.

(c) Regulatory reserve

The regulatory reserve represents the part of reserve generated by a banking subsidiary of the Company arising from the difference between the impairment allowance made under HKAS 39 and for regulatory purpose.

(d) Hedging reserve

The hedging reserve relates to the Group's share of the hedging reserve under joint ventures.

35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

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

	2015	2014
Percentage of ownership interest held by non-controlling interests:		
HKC	**34.2 per cent.**	43.9 per cent.
LCR	**28.8 per cent.**	28.8 per cent.

	2015 HK$'000	2014 HK$'000
Profit/(Loss) for the year allocated to non-controlling interests:		
HKC	**129,785**	326,982
LCR	**51,116**	(54,928)
Dividends/Distributions paid to non-controlling interests:		
HKC	**171,977**	35,070
LCR	**42,863**	117,578
Accumulated balances of non-controlling interests at the end of the reporting period:		
HKC	**3,570,636**	4,807,830
LCR	**1,939,840**	2,043,262

35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(continued)*

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

	HKC	
	2015	2014
	HK$'000	HK$'000
Revenue	**228,679**	3,969,891
Share of results of equity-accounted investees	**387,748**	(311,388)
Total expenses	**(242,080)**	(3,155,532)
Profit for the year	**374,347**	502,971
Total comprehensive income/(loss) for the year	**(201,361)**	460,987
Current assets	**3,648,430**	4,186,568
Non-current assets	**8,789,615**	8,989,645
Current liabilities	**(2,141,044)**	(2,429,941)
Non-current liabilities	**(50,742)**	(106,724)
Net cash flows from/(used in) operating activities	**(442,878)**	1,795,305
Net cash flows from/(used in) investing activities	**863,060**	(781,084)
Net cash flows used in financing activities	**(32,560)**	(209,149)
Net increase in cash and cash equivalents	**387,622**	805,072

	LCR	
	2015	2014
	HK$'000	HK$'000
Revenue	**2,749,696**	2,771,409
Total expenses	**(2,414,207)**	(2,737,722)
Profit for the year	**335,489**	33,687
Total comprehensive income/(loss) for the year	**140,536**	(329,226)
Current assets	**4,236,187**	3,071,849
Non-current assets	**2,275,614**	3,417,093
Current liabilities	**(1,147,710)**	(1,443,813)
Non-current liabilities	**(456,798)**	(146,789)
Net cash flows used in operating activities	**(228,467)**	(238,792)
Net cash flows from investing activities	**1,503,950**	889,897
Net cash flows used in financing activities	**(172,328)**	(783,968)
Net increase/(decrease) in cash and cash equivalents	**1,103,155**	(132,863)

36. DISPOSAL OF SUBSIDIARIES

	2015 HK$'000	2014 HK$'000
Net assets disposed of:		
Fixed assets	**15,959**	708
Investment properties	**933,840**	2,582,891
Debtors, prepayments and deposits	**22,384**	3,316
Restricted cash	**–**	16,365
Cash and bank balances	**129,418**	85,490
Bank and other borrowings	**–**	(1,163,666)
Creditors, accruals and deposits received	**(3,683)**	(107,887)
Tax payables	**(3)**	(18,162)
Deferred tax liabilities	**(63,306)**	(518,100)
	1,034,609	880,955
Release of cumulative exchange differences on translation of foreign operations attributable to:		
Equity holders of the Company	**(55,033)**	(185,316)
Non-controlling interests	**(23,587)**	(75,076)
	(78,620)	(260,392)
	955,989	620,563
Adjustment of unrealised gain on disposal	**–**	12,954
Gain on disposal	**812,555**	200,170
	1,768,544	833,687
Satisfied by:		
Cash consideration received	**1,768,544**	833,687

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

	2015 HK$'000	2014 HK$'000
Cash consideration received	**1,768,544**	833,687
Cash and bank balances disposed of	**(129,418)**	(85,490)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**1,639,126**	748,197

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

Major changes in non-controlling interests are as follows:

2015

In August 2014, Hennessy Holdings Limited, a wholly-owned subsidiary of the Company, acquired an aggregate of 194,190,000 shares in HKC from third party vendors at an aggregate consideration of HK$368,961,000. As a result, the Group's effective ownership in HKC increased from approximately 56.12 per cent. as at 31st March, 2014 to approximately 65.84 per cent. as at 31st March, 2015. The Group recognised a decrease in non-controlling interests of HK$992,488,000 and an increase in retained profits of HK$623,527,000.

2014

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

The Offer was closed on 14th August, 2013 and Food Junction was delisted from the Singapore Exchange Securities Trading Limited on 9th December, 2013. As at 31st March, 2014, the APG Group held approximately 97.6 per cent. of the issued share capital in Food Junction. The total consideration was approximately HK$70,280,000. The Group recognised a decrease in non-controlling interests of HK$77,351,000 and an increase in retained profits of HK$7,071,000.

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of profit before tax to cash generated from/(used in) operations

	Note	2015 HK$'000	2014 HK$'000
Profit before tax		**877,787**	1,269,335
Adjustments for:			
Share of results of associates		**(28,969)**	42,846
Share of results of joint ventures		**(391,874)**	342,458
Loss/(Gain) on disposal of:			
Fixed assets	6	**22**	139
An investment property	6	**(395)**	–
Subsidiaries	36	**(812,555)**	(200,170)
Available-for-sale financial assets		**7**	(132,511)
Provisions/(Write-back of provision) for impairment losses on:			
Intangible assets		**2,792**	61,667
Exploration and evaluation assets		**95,410**	3,879
Fixed assets		**–**	27,288
Associates		**14,974**	28,589
Joint ventures	6	**(233)**	14,645
Available-for-sale financial assets		**31,647**	14,290
Properties under development		**60,216**	–
Properties held for sale	6	**889**	(1,086)
Inventories	6	**12,845**	13,826
Bad and doubtful debts	6	**7,239**	1,371
Write-down of fixed assets	6	**332**	2,695
Net fair value loss on financial instruments at fair value through profit or loss		**6,743**	67,559
Net fair value gain on investment properties		**(74,647)**	(46,511)
Finance costs		**39,736**	121,334
Interest income		**(104,110)**	(83,460)
Dividend income	6	**(14,394)**	(13,045)
Depreciation	6	**94,679**	98,807
Amortisation of intangible assets	6	**16,885**	17,267
		(164,974)	1,651,212
Decrease in properties held for sale		**63,394**	2,091,234
Increase in properties under development		**(292,874)**	(681,827)
Increase in inventories		**(30,773)**	(84,613)
Increase in loans and advances		**(34,287)**	(35,192)
Decrease/(Increase) in debtors, prepayments and deposits		**(18,939)**	91,763
Increase in financial instruments at fair value through profit or loss		**(173,517)**	(36,850)
Decrease/(Increase) in client trust bank balances		**(13,753)**	44,411
Decrease in restricted cash		**78,476**	815,912
Decrease in creditors, accruals and deposits received		**(186,389)**	(2,408,655)
Increase in current, fixed, savings and other deposits of customers		**112,402**	65,394
Decrease in other financial liabilities		**(12,821)**	(33,965)
Cash generated from/(used in) operations		**(674,055)**	1,478,824

39. CONTINGENT LIABILITIES

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

(a) Bankers' guarantee

	2015 **HK$'000**	2014 HK$'000
Secured bankers' guarantee *(Note (i))*	**35,490**	33,637
Unsecured bankers' guarantee *(Note (ii))*	**5,702**	6,270
	41,192	39,907

Note:

(i) The Group had bankers' guarantees issued in lieu of rental and utility deposits for the premises used in the food businesses segment. As at 31st March, 2015, fixed deposits of approximately HK$20,598,000 (2014 — HK$21,435,000) were pledged to banks as security for bankers' guarantees issued.

(ii) The Group had bankers' guarantees issued to suppliers in the ordinary course of business and in lieu of rental and utility deposits for the premises used in the food businesses segment.

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

As at 31st March, 2015, the Group had contingent liabilities relating to its banking subsidiary of HK$36,247,000 (2014 — HK$18,063,000) comprising guarantees and other endorsements of HK$34,273,000 (2014 — HK$15,328,000) and liabilities under letters of credit on behalf of customers of HK$1,974,000 (2014 — HK$2,735,000).

(c) Guarantee to a joint venture

As at 31st March, 2015, the Group provided a guarantee of up to a maximum US$84 million (2014 — US$100 million) to a joint venture, guaranteeing its payment obligations to its trade creditors.

40. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties and properties held for sale under operating lease arrangements with leases negotiated for terms ranging from one to five 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$28,048,000 (2014 — HK$32,138,000).

40. OPERATING LEASE ARRANGEMENTS *(continued)*

(a) As lessor *(continued)*

As at 31st March, 2015, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2015 HK$'000	2014 HK$'000
Within one year	**123,352**	130,736
In the second to fifth years, inclusive	**63,749**	52,129
After five years	**–**	164
	187,101	183,029

(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, 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2015 HK$'000	2014 HK$'000
Within one year	**147,312**	210,208
In the second to fifth years, inclusive	**280,261**	258,855
After five years	**20,075**	79,646
	447,648	548,709

41. COMMITMENTS

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

	2015 HK$'000	2014 HK$'000
Commitments in respect of properties, plant and equipment and properties under development:		
Contracted, but not provided for	**187,111**	417,042
Other commitments:		
Contracted, but not provided for *(Note)*	**370,639**	90,168
	557,750	507,210

Note: The balance included the Group's capital commitments in respect of the joint arrangements of approximately HK$29 million (2014 — HK$33 million), and commitments in relation to investments of an integrated resort project of approximately HK$277 million (2014 — Nil).

42. RELATED PARTY TRANSACTIONS

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

(a) During the year, the Group paid rental expense (including service charge) of HK$3,727,000 (15th July, 2013 to 31st March, 2014 — HK$2,529,000) to a joint venture of the Group. 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, 2016 and 31st March 2017 to be approximately HK$3,114,000 and HK$908,000, respectively.

(b) During the year, the Group paid rental expense (including service charge) of HK$1,000,000 (27th January, 2014 to 31st March, 2014 — HK$180,000) to a joint venture of the Group. 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 year ending 31st March, 2016 to be approximately HK$963,000.

(c) During the year, the Group paid rental expenses (including service charges) of HK$2,074,000 (2014 — HK$3,421,000) to certain joint ventures of the Group. The rental was determined by reference to the then prevailing open market rentals. Such lease will expire on 31st May, 2017. The Group expects the total future minimum lease payments for the years ending 31st March, 2016, 31st March, 2017 and 31st March, 2018 to be approximately HK$3,472,000, HK$3,472,000 and HK$579,000, respectively.

(d) During the year, the Group sold food and beverage products of HK$1,218,000 (2014 — HK$1,967,000) to a joint venture of the Group. The sales were made on normal commercial terms in line with, and with reference to, the industry practice.

(e) During the year, the Group generated sales of HK$15,912,000 (2014 — HK$19,111,000) 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.

(f) During the year ended 31st March, 2014, the Group received service fees in the total amount of HK$8,119,000 for management of a restaurant and operation of the French cuisine segment and Japanese cuisine segment of a restaurant from a joint venture of the Group. The service fee was determined by reference to the market rates comparable to that of other service providers. The agreements were terminated in May 2014 and no service fees were generated during the year.

(g) During the year, the Group received project management income of HK$731,000 (2014 — HK$1,777,000) and interest income of HK$5,911,000 (2014 — HK$4,711,000) from certain joint ventures of the Group. During the year ended 31st March, 2014, the Group received project management income of HK$3,149,000 from certain associates of the Group.

42. RELATED PARTY TRANSACTIONS *(continued)*

(h) As at 31st March, 2015, the Group had balances with its associates and joint ventures, further details of which are set out in Notes 18, 19 and 22 to the financial statements.

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

The above transactions were not continuing connected transactions or connected transactions as defined under Chapter 14A of the Listing Rules which were subject to the disclosure requirements under the Listing Rules.

43. FINANCIAL INSTRUMENTS BY CATEGORY

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

At 31st March, 2015

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$'000	Derivative financial instruments HK$'000	Total HK$'000
Amount due from a joint venture	–	58,112	–	–	58,112
Available-for-sale financial assets	–	–	229,695	–	229,695
Financial assets at fair value through profit or loss	513,261	–	–	–	513,261
Loans and advances	–	401,767	–	–	401,767
Financial assets included in debtors, prepayments and deposits	–	583,937	–	–	583,937
Other financial assets	–	–	–	169	169
Client trust bank balances	–	324,982	–	–	324,982
Restricted cash	–	92,799	–	–	92,799
Treasury bills	–	38,800	–	–	38,800
Cash and bank balances	–	4,405,570	–	–	4,405,570
	513,261	5,905,967	229,695	169	6,649,092

43. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

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

At 31st March, 2015

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	Total HK$'000
Bank and other borrowings	–	1,797,083	1,797,083
Financial liabilities included in creditors, accruals and deposits received	–	1,047,914	1,047,914
Current, fixed, savings and other deposits of customers	–	444,582	444,582
Other financial liabilities	4,522	–	4,522
	4,522	3,289,579	3,294,101

At 31st March, 2014

Financial assets

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

43. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

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

At 31st March, 2014

Financial liabilities

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

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Financial assets				
Available-for-sale financial assets	**105,751**	94,840	**105,751**	94,840
Financial assets at fair value through profit or loss	**513,261**	347,888	**513,261**	347,888
Other financial assets	**169**	–	**169**	–
	619,181	442,728	**619,181**	442,728
Financial liabilities				
Other financial liabilities	**4,522**	15,998	**4,522**	15,998

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

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

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

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

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

The fair values of listed equity investments, debt securities 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 statements issued by the investment fund managers, which take into consideration the fair value of the underlying properties and assets held under the investments. Where appropriate, a discount is applied to take into consideration of the non-marketable nature of the investments.

The fair value of financial liabilities at fair value through profit or loss designated as such upon initial recognition 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, 2015 and 2014:

	Valuation techniques	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Available-for-sale investment funds	Discounted cash flow method	Discount rate	8 per cent. to 21 per cent. (2014 — 8 per cent. to 21 per cent.)	Increase/(Decrease) in discount rate would result in (decrease)/increase in fair valve
Investment funds at fair value through profit or loss	Discounted cash flow method	Discount rate	5 per cent. (2014 — 5 per cent.)	Increase/(Decrease) in discount rate would result in (decrease)/increase in fair valve

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

Fair value hierarchy

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

	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
At 31st March, 2015				
Assets measured at fair value				
Available-for-sale financial assets:				
Equity securities	55	–	–	55
Debt securities	86,068	–	–	86,068
Investment funds	2,605	–	17,023	19,628
Financial assets at fair value through profit or loss:				
Equity securities	494,778	–	–	494,778
Investment funds	–	5,985	12,498	18,483
Other financial assets:				
Derivative financial instruments	–	169	–	169
	583,506	6,154	29,521	619,181
Liabilities measured at fair value				
Other financial liabilities:				
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	–	4,522	–	4,522

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

Fair value hierarchy *(continued)*

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

	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
At 31st March, 2014				
Assets measured at fair value				
Available-for-sale financial assets:				
Equity securities	51	–	–	51
Debt securities	84,021	–	–	84,021
Investment funds	–	–	10,768	10,768
Financial assets at fair value through profit or loss:				
Equity securities	319,788	–	–	319,788
Investment funds	–	9,197	18,903	28,100
	403,860	9,197	29,671	442,728
Liabilities measured at fair value				
Other financial liabilities:				
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	–	15,739	–	15,739
Derivative financial instruments	259	–	–	259
	259	15,739	–	15,998

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

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

	Available-for-sale investment funds HK$'000	Investment funds at fair value through profit or loss HK$'000	Derivative financial instruments HK$'000	Financial asset at fair value through profit or loss designated as such upon initial recognition HK$'000	Financial liability at fair value through profit or loss designated as such upon initial recognition HK$'000
2015					
At 1st April, 2014	**10,768**	**18,903**	–	–	–
Total losses recognised in the statement of profit or loss	**(3,187)**	**(1,412)**	–	–	–
Total gain recognised in other comprehensive income	**2,354**	**–**	–	–	–
Purchases	**7,335**	**–**	–	–	–
Disposals	**(247)**	**(4,986)**	–	–	–
Exchange adjustments	**–**	**(7)**	–	–	–
At 31st March, 2015	**17,023**	**12,498**	–	–	–
2014					
At 1st April, 2013	17,230	29,543	7,275	217,905	(98,919)
Total gains/(losses) recognised in the statement of profit or loss	–	966	(7,275)	–	(524)
Total losses recognised in other comprehensive income	(5,572)	–	–	–	–
Purchases	126	–	–	–	–
Disposals	(1,008)	(11,486)	–	(217,905)	99,443
Exchange adjustments	(8)	(120)	–	–	–
At 31st March, 2014	10,768	18,903	–	–	–

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 (2014 — Nil).

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Credit risk

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

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

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

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

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

(a) Credit risk *(continued)*

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

	2015 HK$'000	2014 HK$'000
By geographical area:		
Hong Kong	**122,164**	132,936
Macau	**294,683**	288,705
Mainland China	**99**	102
Republic of Singapore	**252,693**	254,325
Malaysia	**108,075**	105,519
Others	**16,439**	10,382
	794,153	791,969

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

(b) Liquidity risk

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

Management comprising Executive Directors and senior managers monitors the liquidity position of the Group on an on-going basis to ensure the availability of sufficient liquid funds to meet all obligations as they fall due and to make the most efficient use of the Group's financial resources. As at 31st March, 2015, approximately 73 per cent. (2014 — 90 per cent.) of the Group's debts would mature in less than one year based on the carrying values of bank and other borrowings.

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

(b) Liquidity risk *(continued)*

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

	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, 2015							
Assets							
Amount due from a joint venture	–	–	58,112	–	–	–	58,112
Debt securities:							
Available-for-sale financial assets	–	20,325	3,722	47,435	5,459	20,700	97,641
Loans and advances	187,620	73,490	27,819	66,890	45,948	–	401,767
Debtors and deposits	76,480	348,082	70,169	46,167	–	43,039	583,937
Client trust bank balances	314,853	10,129	–	–	–	–	324,982
Restricted cash	70,099	–	22,700	–	–	–	92,799
Treasury bills	–	38,800	–	–	–	–	38,800
Cash and bank balances	787,363	3,618,207	–	–	–	–	4,405,570
	1,436,415	4,109,033	182,522	160,492	51,407	63,739	6,003,608
Liabilities							
Bank and other borrowings	–	637,788	672,177	487,169	383	–	1,797,517
Creditors, accruals and deposits received	316,773	371,901	241,654	5,375	–	112,211	1,047,914
Current, fixed, savings and other deposits of customers	155,195	210,579	78,808	–	–	–	444,582
Other financial liabilities	4,522	–	–	–	–	–	4,522
Bankers' guarantee	–	16,592	1,792	22,808	–	–	41,192
	476,490	1,236,860	994,431	515,352	383	112,211	3,335,727

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

(b) Liquidity risk *(continued)*

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

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

(c) Interest rate risk

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

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

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

	2015			2014		
	Increase/ (Decrease) in basis points	**Increase/ (Decrease) in profit before tax HK$'000**	**Increase/ (Decrease) in equity HK$'000**	Increase/ (Decrease) in basis points	Increase/ (Decrease) in profit before tax HK$'000	Increase/ (Decrease) in equity HK$'000
Hong Kong dollar	**+50**	**(4,162)**	**(4,162)**	+50	(3,039)	(3,039)
United States dollar	**+50**	**622**	**(759)**	+50	589	(937)
Singapore dollar	**+50**	**1,145**	**1,145**	+50	1,637	1,637
Renminbi	**+50**	**15,010**	**14,807**	+50	14,395	14,395
Hong Kong dollar	**-50**	**4,162**	**4,162**	-50	3,039	3,039
United States dollar	**-50**	**(622)**	**873**	-50	(589)	1,057
Singapore dollar	**-50**	**(1,145)**	**(1,145)**	-50	(1,637)	(1,637)
Renminbi	**-50**	**(15,010)**	**(14,804)**	-50	(14,392)	(14,392)

(d) Foreign currency risk

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

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

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

(d) Foreign currency risk *(continued)*

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 profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/(Decrease) in profit before tax	
	2015	2014
	HK$'000	HK$'000
United States dollar against Hong Kong dollar		
— strengthened 3 per cent. (2014 — 3 per cent.)	**6,805**	5,622
— weakened 3 per cent. (2014 — 3 per cent.)	**(6,805)**	(5,622)
Singapore dollar against Hong Kong dollar		
— strengthened 3 per cent. (2014 — 3 per cent.)	**9,432**	7,383
— weakened 3 per cent. (2014 — 3 per cent.)	**(9,432)**	(7,383)
Renminbi against Hong Kong dollar		
— strengthened 3 per cent. (2014 — 3 per cent.)	**49,505**	23,492
— weakened 3 per cent. (2014 — 3 per cent.)	**(49,505)**	(23,492)

The Group has a banking subsidiary in Macau with certain monetary assets and liabilities denominated in Hong Kong dollar and United States dollar. Since both Hong Kong dollar and the subsidiary's functional currency, Macau Pataca ("MOP"), are pegged to United States dollar no material fluctuation of exchange rates between MOP and Hong Kong dollar and between MOP and United States dollar is expected.

At the end of the reporting period, the cash and bank balances of the Group's subsidiaries in mainland China denominated in Renminbi amounted to HK$1,386,289,000 (2014 — HK$2,105,759,000). 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, 2015. The Group's listed financial assets are mainly listed on the Hong Kong and Singapore stock exchanges and are valued at quoted market prices at the end of the reporting period.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Equity price risk (continued)

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 were as follows:

	31st March, 2015	High/Low 2015	31st March, 2014	High/Low 2014
Hong Kong – Hang Seng Index	**24,901**	**25,363/21,680**	22,151	24,039/19,813
Republic of Singapore – Straits Times Index	**3,447**	**3,469/3,150**	3,189	3,455/2,960

The senior management of the Group regularly reviews and monitors the mix of securities in its investment portfolio based on its fair value to ensure the loss arising from the changes in the market values of the investment portfolios is capped within an acceptable range.

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.

	2015		2014	
	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				
Global and others	**–**	**591**	–	325
Financial instruments at fair value through profit or loss				
Hong Kong	**4,991**	**–**	3,417	–
Republic of Singapore	**9,838**	**–**	5,392	–
Global and others	**384**	**–**	1,137	–
	15,213	**–**	9,946	–

* Excluding retained profits

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

(f) Capital management

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

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2015 and 2014.

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.

	2015 **HK$'000**	2014 HK$'000
Bank and other borrowings *(Note 28)*	**1,797,083**	1,340,534
Less: Non-controlling interests in bank and other borrowings	**(335,444)**	(356,075)
Bank and other borrowings, net of non-controlling interests	**1,461,639**	984,459
Equity attributable to equity holders of the Company	**9,297,824**	8,631,161
Gearing ratio	**15.7 per cent.**	11.4 per cent.

46. EVENTS AFTER THE REPORTING PERIOD

(a) In April 2015, the Group entered into an arrangement agreement with Asia Now, a subsidiary of the Company, to acquire all of the issued and outstanding common shares of Asia Now not already owned by the Group at the price of C$0.02 per share. In connection with the above proposed acquisition, the Group provided a secured credit facility to Asia Now in the amount of up to approximately C$1,076,000 (equivalent to approximately HK$6,811,000) to fund working capital and the related expenses for the above acquisition. The plan of arrangement under the above arrangement agreement was not approved by the requisite shareholder approval at a special shareholders' meeting of Asia Now held in June 2015.

(b) In May 2015, the Group further advanced a loan of approximately S$53,921,000 (equivalent to approximately HK$309,829,000) to a subsidiary of LAAPL and made equity subscription in LAAPL in proportion to its existing interest in LAAPL for a consideration of approximately S$23,426,000 (equivalent to approximately HK$134,607,000). The proceeds have been applied to repay part of the indebtedness under LAAPL and for working capital purposes.

(c) In June 2015, the Group entered into sale and purchase agreements with 南粵(集團)有限公司 (Nam Yue (Group) Company Limited) and Mr. Yang Jun (together, the "Purchasers") for the disposal of an aggregate of 49 per cent. interest in the issued share capital of MCB for an aggregate consideration of MOP441,000,000 (equivalent to approximately HK$427,770,000) (the "Disposal"). Upon completion, the Group will own 51 per cent. of the issued share capital of MCB and will enter into a shareholders' agreement with the Purchasers and MCB to, among other things, regulate the relationships between shareholders of MCB. After entering into such shareholders' agreement, as a result of the proposed composition of the board of directors of MCB and other terms and in compliance with the current accounting standards, MCB will be accounted for as an associate of the Company and its results, assets and liabilities will cease to be consolidated in the accounts of the Company.

The Disposal is expected to give rise to a non-recurring gain on disposal of approximately HK$211,000,000 (subject to the completion of the Disposal and before expenses and taxes), which is calculated based on the difference between the consideration of the Disposal and the audited net asset value of MCB as at 31st December, 2014, after taking into account the release of investment revaluation reserve and relevant goodwill but before the inclusion of the value of the put option granted under the shareholders' agreement. The value of the put option will be determined as at the completion date of the Disposal by a valuer. The exact amount of gain on disposal to be recorded in the consolidated statement of profit or loss of the Group for the year ending 31st March, 2016 will be calculated based on net asset value of MCB and the value of the put option as at the date of completion of the Disposal and net of any incidental expenses and therefore, will vary from the figures provided above.

47. COMPARATIVE FIGURES

As further explained in Note 2.2 to the financial statements, due to the implementation of the Hong Kong Companies Ordinance (Cap. 622) during the current year, the presentation and disclosure of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been restated to conform with the current year's presentation and disclosures.

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2015 **HK$'000**	2014 HK$'000
Non-current assets		
Fixed assets	**1,339**	917
Interests in subsidiaries	**3,636,650**	3,068,860
Available-for-sale financial assets	**1,200**	1,200
	3,639,189	3,070,977
Current assets		
Amount due from a joint venture	**4,137**	–
Debtors, prepayments and deposits	**2,518**	1,654
Cash and bank balances	**94,097**	294,515
	100,752	296,169
Current liabilities		
Bank loans	**645,000**	205,000
Creditors, accruals and deposits received	**2,423**	1,666
	647,423	206,666
Net current assets/(liabilities)	**(546,671)**	89,503
Total assets less current liabilities	**3,092,518**	3,160,480
Non-current liabilities		
Bank loans	**115,000**	130,000
Net assets	**2,977,518**	3,030,480
Equity		
Share capital	**984,440**	984,440
Reserves *(Note)*	**1,993,078**	2,046,040
	2,977,518	3,030,480

John Luen Wai Lee
Director

Stephen Riady
Director

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK$'000	Special capital reserve *(Note 34(a))* HK$'000	Capital redemption reserve HK$'000	Retained profits HK$'000	Total HK$'000
2015					
At 1st April, 2014	**–**	**1,709,202**	**–**	**336,838**	**2,046,040**
Profit for the year and total comprehensive income for the year	**–**	**–**	**–**	**11,148**	**11,148**
2013/2014 final dividend declared and paid to shareholders of the Company	**–**	**–**	**–**	**(49,315)**	**(49,315)**
2014/2015 interim dividend declared and paid to shareholders of the Company	**–**	**–**	**–**	**(14,795)**	**(14,795)**
At 31st March, 2015	**–**	**1,709,202**	**–**	**283,876**	**1,993,078**
2014					
At 1st April, 2013	912,362	1,709,202	22,762	69,167	2,713,493
Profit for the year and total comprehensive income for the year	–	–	–	302,192	302,192
Transfer to share capital *(Note 32)*	(912,362)	–	(22,762)	–	(935,124)
2012/2013 final dividend declared and paid to shareholders of the Company	–	–	–	(19,726)	(19,726)
2013/2014 interim dividend declared and paid to shareholders of the Company	–	–	–	(14,795)	(14,795)
At 31st March, 2014	–	1,709,202	–	336,838	2,046,040

Included in the retained profits of the Company as at 31st March, 2015 was an amount of final dividend for the year then ended of HK$49,315,000 (2014 — HK$49,315,000) proposed after the end of the reporting period.

49. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 29th June, 2015.

PARTICULARS OF PRINCIPAL SUBSIDIARIES AS AT 31ST MARCH, 2015 ARE AS SET OUT BELOW.

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Acematic Limited	British Virgin Islands	US$1	100	100	Investment holding
Lippo Finance Holdings Limited	British Virgin Islands	US$50,000	100	100	Investment holding
Creaworld (Holdings) Company Limited	Hong Kong	HK$2	–	100	Investment holding
福建華陽湄洲開發有限公司 (Fujian Creaworld Meizhou Development Co., Ltd.)** — wholly foreign-owned enterprise##	People's Republic of China	HK$100,000,000*	–	100	Property investment and property development
Hennessy Holdings Limited	British Virgin Islands	US$1	–	100	Investment holding
Lippo Korea Holdings Pte. Limited**	Republic of Singapore	S$2	–	100	Investment holding
Lippo Investments Management Limited	Hong Kong	HK$54,600,000	–	100	Fund Management
Lippo Worldwide Investments Limited	British Virgin Islands	US$1	–	100	Investment holding
Skyscraper Realty Limited	British Virgin Islands	US$10	–	100	Investment holding
Lippo China Resources Limited *(listed on The Stock Exchange of Hong Kong Limited)*	Hong Kong	HK$1,704,031,044.03	–	71.2	Investment holding
Admiralty Development Limited	Hong Kong	HK$446,767,129	–	71.2	Property investment
Ally Wise Capital Limited	British Virgin Islands	US$1	–	71.2	Investment
Apexwin Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Ardent Properties Pty Limited**	Australia	A$10	–	71.2	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
Bestbeat Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Blueway Limited	Hong Kong	HK$1	–	71.2	Investment holding
Broadwell Asia Limited	British Virgin Islands	US$1	–	71.2	Property investment
Cajan Enterprises Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Caross Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Carvio Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Castar Assets Limited	British Virgin Islands	US$1	–	71.2	Property investment
Celestial Fortune Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Chalton Assets Limited	British Virgin Islands	US$1	–	71.2	Property investment
China Chance Investments Limited	Hong Kong	HK$10	–	71.2	Investment holding
China Gold Pte. Ltd.**	Republic of Singapore	S$1	–	71.2	Investment holding
China Pacific Electric Limited	British Virgin Islands	US$100	–	71.2	Investment holding
Continental Equity Inc.	British Virgin Islands	US$1	–	71.2	Investment
Dragon Board Holdings Limited	British Virgin Islands	S$1	–	71.2	Investment holding
Energetic Holdings Limited	British Virgin Islands	US$1	–	71.2	Property investment
Ethnos Ltd.**	Israel	NIS100	–	71.2	Property investment
Fortune Finance Investment Limited	British Virgin Islands	US$1	–	71.2	Investment
Fortune Star Asia Limited	Hong Kong	HK$1	–	71.2	Investment
Frontop Limited	British Virgin Islands	US$1	–	71.2	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
福建莆田忠信物業管理有限公司 (Fujian Putian Zhong Xin Property Management Limited)** — wholly foreign-owned re-invested enterprise##	People's Republic of China	RMB810,000*	–	71.2	Property management
福建大地湄洲工業區開發有限公司 (Fujian Tati Meizhou Industrial Park Development Co., Ltd.)** — wholly foreign-owned enterprise##	People's Republic of China	US$5,000,000*	–	71.2	Property investment and property development
Gabarro Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Golden Rain Holdings Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Golden Sunshine Worldwide Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Golden Super Holdings Limited	British Virgin Islands	US$1	–	71.2	Investment
Goldmax Pacific Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Gothic Investments Limited	Samoa	US$1	–	71.2	Property investment
Grandbeam Limited	Hong Kong	HK$1	–	71.2	Investment holding
Grand Vista Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Grandtop Pacific Limited	British Virgin Islands	US$1	–	71.2	Investment holding
HKCL Investments Pte. Ltd.**	Republic of Singapore	S$2	–	71.2	Property development
Hongkong China Treasury Limited	British Virgin Islands/ Hong Kong	US$1	–	71.2	Securities investment
Istan Assets Limited	British Virgin Islands	US$1	–	71.2	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
Keytime Holdings Limited	British Virgin Islands	US$1	–	71.2	Property investment
Kingz Ltd	British Virgin Islands	US$1	–	71.2	Investment holding
LCR Ltd.	British Virgin Islands	US$1	–	71.2	Intellectual property
LCR Management Limited	Hong Kong	HK$1	–	71.2	Management services
Laurel Century Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Lippo Consortium Pte. Limited**	Republic of Singapore	S$2	–	71.2	Property development
Lippo Energy Group Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Lippo Group International Pte. Limited**	Republic of Singapore	S$2	–	71.2	Investment holding
Lippo Property Management Limited	British Virgin Islands/ Hong Kong	US$1	–	71.2	Investment holding
Lippo Prosperity (Singapore) Pte. Limited**	Republic of Singapore	S$2	–	71.2	Investment
力寶置業(江蘇)有限公司 (Lippo Realty (Jiangsu) Limited)** — wholly foreign-owned enterprise##	People's Republic of China	US$53,250,000*	–	71.2	Property development
力寶置業(泰州)有限公司 (Lippo Realty (Taizhou) Limited)** — wholly foreign-owned enterprise##	People's Republic of China	US$29,330,000*	–	71.2	Property development
Lippo Resources Investments Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Lippo Retail Holdings Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Mantor Assets Limited	British Virgin Islands	US$1	–	71.2	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
Masstrong Limited	Hong Kong	HK$1	–	71.2	Investment holding
Maxfit Holding Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Netscope Limited	British Virgin Islands	US$1	–	71.2	Investment
PacNet Holdings Limited	British Virgin Islands	US$1	–	71.2	Investment holding
PacNet Capital (U.S.) Limited	United States of America	US$0.281	–	71.2	Investment holding
Pantogon Holdings Pte Ltd**	Republic of Singapore	S$1,000,000	–	71.2	Investment holding
Polarstar Capital Limited	British Virgin Islands	US$1	–	71.2	Investment
莆田塔林基礎建設有限公司 (Putian Talin Infrastructure Company Limited)** — wholly foreign-owned enterprise##	People's Republic of China	US$300,000*	–	71.2	Property services
Queenz Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Radical Profits Limited	British Virgin Islands	US$1	–	71.2	Property investment
Reiley Inc.	British Virgin Islands	US$1	–	71.2	Investment holding
Rickon Holdings Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Sanfield Australia Pty Ltd**	Australia	A$2	–	71.2	Investment holding
Season Spark Limited	British Virgin Islands/ Hong Kong	US$1	–	71.2	Investment
Serene Yield Limited	British Virgin Islands/ Hong Kong	US$1	–	71.2	Property Investment
Star Trendy Limited	British Virgin Islands/ Hong Kong	US$1	–	71.2	Property 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
Starrico Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Super Assets Company Limited	Samoa	US$1	–	71.2	Investment holding
Super Equity International Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Superform Investment Limited	Hong Kong	HK$100 and HK$2 non-voting deferred shares	–	71.2	Property investment
Superonic Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Tamsett Holdings Limited	British Virgin Islands	US$1	–	71.2	Investment holding
Topstar China Limited	Hong Kong	HK$1	–	71.2	Investment holding
Trefar Enterprises Limited	British Virgin Islands	US$1	–	71.2	Property investment
Vitaland Limited	Hong Kong	HK$1	–	71.2	Investment holding
West Tower Holding Limited	British Virgin Islands/ Hong Kong	US$1	–	71.2	Property investment
Win Joyce Limited	Hong Kong	HK$2	–	71.2	Money lending and investment holding
Wollora Assets Limited	British Virgin Islands	US$1	–	71.2	Property investment
World Grand Holding Limited	British Virgin Islands	US$1	–	71.2	Investment
Writring Investments Limited	Hong Kong	HK$2	–	71.2	Property investment
Lippo Select HK & Mainland Property ETF** *(an exchange traded fund listed on The Stock Exchange of Hong Kong Limited)*	Hong Kong	N/A	–	67.2@	Investment
Jeremiah Holdings Limited	British Virgin Islands	S$1,298,645	–	42.7	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
Asia Now Resources Corp.** *(listed on TSX Venture Exchange of Canada)*	Canada	C$30,634,413	–	37.2	Exploration of mineral resources
Nine Heritage Pte Ltd**	Republic of Singapore	S$1,000,000	–	34.2	Investment holding
Auric Pacific Group Limited** *(listed on Singapore Exchange Securities Trading Limited)*	Republic of Singapore	S$64,460,182	–	28.1	Investment holding
Auric Pacific Fine Wines Pte. Ltd.**	Republic of Singapore	S$2	–	28.1	Wholesale and retail of wine
Auric Pacific Food Industries Pte Ltd**	Republic of Singapore	S$54,400,000	–	28.1	General wholesale trade in food products
Auric Pacific Marketing Pte Ltd**	Republic of Singapore	S$10,000,000	–	28.1	General wholesale trade and distribution
Centurion Marketing Pte Ltd**	Republic of Singapore	S$500,000	–	28.1	Wholesale of other specific commodities
Edmontor Investments Pte Ltd**	Republic of Singapore	S$47,367,335	–	28.1	Investment holding and wholesale trade
Delifrance Asia Ltd**	Republic of Singapore	S$180,581,000	–	28.1	Management and holding company, development and sale of franchising activities
Delifrance Singapore Pte Ltd**	Republic of Singapore	S$4,000,002	–	28.1	Manufacture and sale of French bakery and pastry products, and the 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 (HK) Limited**	Hong Kong	HK$12,000,000	–	28.1	Manufacture and sale of French bakery and pastry products and the operation of café-bakeries and kiosks
Delifrance (Malaysia) Sdn. Bhd.**	Malaysia	RM7,500,000	–	28.1	Manufacturing and sale of French bakery and pastry products and the operation of café-bakeries
上海德利法蘭新食品有限公司 (Shanghai Delifrance Foodstuff Co., Ltd.)** — wholly foreign-owned enterprise##	People's Republic of China	US$1,880,000*	–	28.1	Sale of bakery and pastry products and the operation of café-bakeries
Auric Pacific (M) Sdn. Bhd.**	Malaysia	RM1,000,000	–	28.1	Marketing and distribution of food products
Auric Chun Yip Sdn. Bhd.**	Malaysia	RM12,000,000	–	28.1	Supply of bakery, confectionery materials and other general products
Auric Pacific Food Processing Sdn. Bhd.**	Malaysia	RM1,200,000	–	28.1	Manufacturer of and dealer in butter, margarine and related confectionery products
Cuisine Continental (HK) Limited**	Hong Kong	HK$3,000,000	–	28.1	Retailing of food and beverage products and services
Auric Pacific Investment Pte. Ltd.**	Republic of Singapore	S$2	–	28.1	Investment holding
Auric Pacific Realty Pte. Ltd.**	Republic of Singapore	S$1	–	28.1	Property developers and 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
Food Junction Holdings Limited**	Republic of Singapore	S$14,296,468.20	–	27.5	Investment holding and provision of management services to its subsidiaries, fast food restaurants and general wholesale trade
Food Junction International Pte Ltd**	Republic of Singapore	S$400,000	–	27.5	Fast food restaurants and general wholesale trade
Food Junction Management Pte Ltd**	Republic of Singapore	S$1,489,000	–	27.5	Operation and management of food courts and fast food restaurants, and general wholesale trade
Food Junction Singapore Pte Ltd**	Republic of Singapore	S$400,000	–	27.5	Fast food restaurants and general wholesale trade
Star Party Pte. Ltd.**	Republic of Singapore	S$200,000	–	27.5	Sale of food and beverages
LP + Tetsu Pte. Ltd.**	Republic of Singapore	S$200,000	–	27.5	Sale of food and beverages, and management of restaurants, cafés and bars
Lifestyle Dining Pte. Ltd.**	Republic of Singapore	S$250,000	–	27.5	Sales of food and beverages
邁博餐飲管理(上海)有限公司 (Maibo Restaurant Management (Shanghai) Co., Ltd)** — wholly foreign-owned enterprise[##]	People's Republic of China	US$140,000*	–	27.5	Management and operation of restaurants in Shanghai

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
福將坊(北京)餐飲有限公司 (Food Junction Beijing Co., Ltd)** — wholly foreign-owned enterprise##	People's Republic of China	US$3,000,000	–	27.5	Management of food courts and operation of food outlets
PT FJ Square Indonesia**	Indonesia	US$400,000	–	27.5	Management of food courts and operation of food outlets
T & W Food Junction Sdn. Bhd.**	Malaysia	RM500,000	–	27.5	Management of food courts and operation of food outlets
Eggs & Berries (Singapore) Pte. Ltd.**	Republic of Singapore	S$500,000	–	27.5	Sale of food and beverages
Medzs (Singapore) Pte. Ltd.**	Republic of Singapore	S$200,000	–	27.5	Sale of food and beverages
The Boxing Crab Pte. Ltd.**	Republic of Singapore	S$200,000	–	27.5	Sale of food and beverages
Wan Style (Singapore) Pte. Ltd.**	Republic of Singapore	S$200,000	–	27.5	Sale of food and beverages
Zutis Pte. Ltd.**	Republic of Singapore	S$200,000	–	27.5	Sale of food and beverages, and management of restaurants, cafés and bars
LCR Catering Services Limited**	Hong Kong	HK$9,000,000	–	24.8	Owns and operates a restaurant in Hong Kong
Hongkong Chinese Limited *(listed on The Stock Exchange of Hong Kong Limited)*	Bermuda/Hong Kong	HK$1,998,280,097	–	65.8	Investment holding
Allyield Limited	British Virgin Islands	US$1	–	65.8	Investment holding
Beaming Empire Limited	British Virgin Islands	US$1	–	65.8	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
Capital Place International Limited**	British Virgin Islands/ Republic of the Philippines	US$50,000	–	65.8	Property investment
成都力寶置業有限公司 (Chengdu Lippo Realty Limited)** — wholly foreign-owned enterprise##	People's Republic of China	US$3,000,000*	–	65.8	Property investment and management
Conrich Inc.	British Virgin Islands	US$1	–	65.8	Investment holding
Cyberspot Limited	British Virgin Islands	US$1	–	65.8	Investment holding
Cyfield Limited	British Virgin Islands	US$1	–	65.8	Property investment
Dragonjoy Investment Limited	Hong Kong	HK$10,000	–	65.8	Securities trading
Everwin Pacific Ltd.	British Virgin Islands	US$1	–	65.8	Property investment
Fairseas 1 Pte. Ltd**	Republic of Singapore	S$1	–	65.8	Owner of a motor yacht
Fiatsco Limited	British Virgin Islands	US$1	–	65.8	Investment holding
Firstclass Real Estate Development Limited	Macau	MOP25,000	–	65.8	Property development
Golden Stellar Limited	British Virgin Islands	US$1	–	65.8	Investment holding
Green Assets Investments Limited	British Virgin Islands	US$1	–	65.8	Investment holding
HCL Management Limited	Hong Kong	HK$1	–	65.8	Management services
HKC Property Investment Holdings Limited	British Virgin Islands/ Hong Kong	US$1	–	65.8	Investment holding
HKC Realty LLC**	United States of America	US$2,250,000*	–	65.8	Property investment
Hong Kong Housing Loan Limited	Hong Kong	HK$40,000,000	–	65.8	Money lending

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
ImPac Asset Management (HK) Limited	Hong Kong	HK$8,500,000	–	65.8	Investment advisory and asset management
ImPac Asset Management (Holdings) Ltd.	British Virgin Islands	US$2,000,100	–	65.8	Investment holding
Lippo Asia Limited	Hong Kong	HK$120,000,000	–	65.8	Investment holding
Lippo Asset Management (HK) Limited	Hong Kong	HK$400,000	–	65.8	Fund management
Lippo Futures Limited	Hong Kong	US$2,000,000	–	65.8	Commodities brokerage
Lippo Securities Holdings Limited	Hong Kong	US$23,000,000	–	65.8	Investment holding
Lippo Securities, Inc.**	Republic of the Philippines	Pesos 69,500,000	–	65.8	Investment holding
Lippo Securities Limited	Hong Kong	HK$220,000,000	–	65.8	Securities brokerage
L.S. Finance Limited	Hong Kong	HK$5,000,000	–	65.8	Money lending
Masta Limited	British Virgin Islands	US$1	–	65.8	Investment holding
Masuda Limited	British Virgin Islands	US$10,000	–	65.8	Investment holding
MGS Ltd.	British Virgin Islands	US$1	–	65.8	Investment holding
Norfyork International Limited	Hong Kong	HK$25,000,000	–	65.8	Investment holding
Okio Ltd.	British Virgin Islands/ Hong Kong	US$1	–	65.8	Investment holding
One Realty Pte. Limited**	Republic of Singapore	S$2	–	65.8	Investment holding and provision of project and management services
Pacific Bond Limited	British Virgin Islands	US$1	–	65.8	Investment holding
Pacific Landmark Holdings Limited	British Virgin Islands	US$1	–	65.8	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
Peakmillion Asia Limited	British Virgin Islands	US$1	–	65.8	Investment
Sinogain Asia Limited	British Virgin Islands	US$1	–	65.8	Property investment
Sinorite Limited	British Virgin Islands/ Hong Kong	US$1	–	65.8	Investment
Stargala Limited	British Virgin Islands	US$1	–	65.8	Property investment
The Macau Chinese Bank Limited**	Macau	MOP260,000,000	–	65.8	Banking
Topbest Asia Inc.	British Virgin Islands/ Hong Kong	US$1	–	65.8	Investment
Uchida Limited	British Virgin Islands/ Hong Kong	US$1	–	65.8	Investment holding
Wealtop Limited	British Virgin Islands/ Hong Kong	US$1	–	65.8	Investment holding
Winluck Asia Limited	British Virgin Islands	US$1	–	65.8	Property investment
Winluck Pacific Limited	British Virgin Islands	US$1	–	65.8	Property investment
Winrider Limited	British Virgin Islands	US$1	–	65.8	Investment holding
Wonder Plan Holdings Limited	British Virgin Islands	US$1	–	65.8	Investment
Yield Point Limited	British Virgin Islands	US$1	–	65.8	Investment holding
北京力寶世紀置業有限公司 (Beijing Lippo Century Realty Co., Ltd.)** — cooperative joint venture enterprise##	People's Republic of China	US$36,000,000*	–	52.6	Property development
TechnoSolve Limited	Hong Kong	HK$26,296,000	–	45.2	Development of computer hardware and software

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
科慧(珠海)軟件有限公司** — wholly foreign-owned enterprise##	People's Republic of China	RMB800,000*	–	45.2	Development and sale of banking software and technical advisory
Kingtek Limited	British Virgin Islands	US$100	–	39.5	Investment holding

\# *based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein*
@ *based on the interest attributable to the Group*
\#\# *type of legal entity*
* *paid up registered capital*
** *audited by certified public accountants other than Ernst & Young, Hong Kong*

Note:

A$ — Australian dollars
C$ — Canadian dollars
MOP — Macau patacas
NIS — New Israeli shekels
Pesos — Philippines pesos
RM — Malaysian ringgits
RMB — People's Republic of China renminbi
S$ — Singapore dollars
US$ — United States dollars

Save for C$2,496,000 senior unsecured convertible debenture issued by Asia Now Resources Corp. to China Gold Pte. Ltd., both are subsidiaries of the Company, as at 31st March, 2015, 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, 2015 ARE AS SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Group#	Principal activities
Standard Pacific Limited	Corporate	Hong Kong	HK$4,290,000	50	Investment holding
MIDAN City Development Co., Ltd.	Corporate	Republic of Korea	KRW89,266,285,000	38.5	Property development
Lippo-Savills Property Management Limited	Corporate	Hong Kong	HK$2	35.6	Property management services
Maxipo International Limited	Corporate	Hong Kong	HK$64,595,748	34.8	Trading and investment holding
Greenix Limited	Corporate	British Virgin Islands	US$100,000	32.9	Investment holding
Lippo Marina Collection Pte. Ltd.	Corporate	Republic of Singapore	S$1,000,000	32.9	Property development
莆田華正自來水有限公司 (Putian Hua Zheng Water Co., Ltd.)	Equity joint venture enterprise	People's Republic of China	RMB9,250,000*	28.5	Water supply
DXS Capital Limited	Corporate	British Virgin Islands	US$100	28.5	Investment holding
Catalyst Enterprises Limited	Corporate	British Virgin Islands	US$50,000	24.9	Investment holding
Goldfix Pacific Ltd.	Corporate	British Virgin Islands	US$16,286.6	24.2	Investment holding
Haranga Resources Limited	Corporate	Australia	A$39,952,452	23.9	Exploration of mineral resources
Rebound Power Limited	Corporate	British Virgin Islands	US$300	*Note (b)*	Investment holding
Proton Power Asia Limited	Corporate	Hong Kong	HK$90	*Note (c)*	Investment holding
Proton Power Pte. Ltd.	Corporate	Republic of Singapore	S$1	*Note (c)*	Green energy development

\# *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:

(a)	*A$*	*—*	*Australian dollars*
	KRW	*—*	*Korean wons*
	RMB	*—*	*People's Republic of China renminbi*
	S$	*—*	*Singapore dollars*
	US$	*—*	*United States dollars*

(b) Its issued share capital comprised of (i) 100 voting, non-participating class "A" shares of US$1.00 each; (ii) 100 non-voting, participating class "B" shares of US$1.00 each; (iii) 50 non-voting, participating class "C" shares of US$1.00 each; and (iv) 50 non-voting, participating class "D" shares of US$1.00 each. The Group, through a non-wholly owned subsidiary, was interested in 50 per cent. of all the class "A" shares in issue, 100 per cent. of all the class "B" shares in issue and approximately 36.06 per cent. of all the class "C" shares in issue which entitled the Group, through a non-wholly owned subsidiary, to 50 per cent. of the voting rights and approximately 75.41 per cent. of the profit sharing of this company.

(c) This company is a wholly-owned subsidiary of Rebound Power Limited.

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, 2015 ARE AS SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operations	Issued and fully paid ordinary share capital	Approximate percentage of equity attributable to the Group (unless otherwise stated)#	Principal activities
Tanglin Residential Pte. Ltd.	Corporate	Republic of Singapore	S$2	35.6	Property investment and property development
Lippo Real Estate Pte. Limited	Corporate	Republic of Singapore	S$1,000,000	32.9	Property development
Sunning Asia Limited	Corporate	British Virgin Islands	US$50,000	32.9	Investment holding
Yamoo Bay Project Limited	Corporate	British Virgin Islands	US$2	32.9	Investment holding
Lippo ASM Asia Property Limited	Corporate	Cayman Islands	US$1,000	*Note (b)*	Investment holding
LOCZ Korea Corporation	Corporate	Republic of Korea	KRW5,312,460,000	20.0*	Development of integrated resort
LOCZ Korea Investment Pte. Ltd.	Corporate	Republic of Singapore	US$51,000,000	20.0*	Investment holding
Wealthy Place Limited	Corporate	British Virgin Islands	US$2	19.7	Investment holding
Lippo Project Pte. Limited	Corporate	Republic of Singapore	S$2	19.7	Property development
Delifrance Singapore Wholesale Pte. Ltd.	Corporate	Republic of Singapore	S$800,000	13.7	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*

* *based on the actual interest attributable to the Group*

Note:

(a) *KRW — Korean wons*
S$ — Singapore dollars
US$ — United States dollars

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

Particulars of Joint Operations

PARTICULARS OF JOINT OPERATIONS AS AT 31ST MARCH, 2015 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$14,900,000	26.8	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$6,700,000	22.4	Exploration of mineral resources

\# *represents the effective interest of the Group after non-controlling interests therein*

Note:

US$ — United States dollars

Schedule of Major Properties

(1) PROPERTIES HELD FOR INVESTMENT AS AT 31ST MARCH, 2015

Description	Use	Approximate gross floor area	Status	Approximate percentage of Group's interest
		(square metres)		
Hong Kong				
Lippo Centre 89 Queensway Central Inland Lot No. 8615*	Commercial	Office: 1,941 Retail: 1,935 (net floor area)	Rental	71.2

* *The above property comprises various shop units on the podium floors and certain office floors.*

The above property is held under long term lease.

Description	Use	Approximate gross floor area	Status	Approximate percentage of Group's interest
People's Republic of China				
19th Floor to 29th Floor and 13 car parking spaces of Lippo Tianma Plaza 1 Wuyibei Road Fuzhou, Fujian	Commercial	11,955	Rental	71.2
5 floors of Unit 1 Building 1 Lippo Tower 62 North Kehua Road Wuhou District Chengdu	Commercial	5,421	Rental	65.8

The above properties are held under medium term leases.

Description	Use	Approximate gross floor area	Status	Approximate percentage of Group's interest
2nd to 6th Floors The Macau Chinese Bank Building Avenida da Praia Grande No. 101 Macau	Commercial	2,590	Rental	65.8

The above property is held as propriedade privada.

(1) PROPERTIES HELD FOR INVESTMENT AS AT 31ST MARCH, 2015 *(continued)*

Description	Use	Approximate gross floor area	Status	Approximate percentage of Group's interest
		(square metres)		
Overseas				
10 Harav Agan Street Jerusalem Block 30050 Parcel 101 Israel	Commercial	940	Rental	71.2
31st Floor Rufino Pacific Tower Ayala Avenue Corner Herrera Street, Makati Metropolitan Manila Republic of the Philippines	Commercial	885	Rental	65.8
522 S. Sepulveda Boulevard Los Angeles, CA 90049 United States of America	Commercial	925	Rental	65.8

The above properties are freehold.

(2) PROPERTIES HELD FOR SALE AS AT 31ST MARCH, 2015

Description	Use	Approximate site area	Approximate gross floor area	Approximate percentage of Group's interest
		(square metres)	*(square metres)*	
People's Republic of China				
Certain units and car parking spaces at No. 8 Ronghua Middle Road Yizhuang Beijing Economic-Technological Development Area (北京經濟技術開發區) Beijing	Commercial/ Residential	N/A	16,191	52.6
Overseas				
Unit #03–03 The Residences Katana 20 Jalan Madge 55000 Kuala Lumpur Malaysia	Residential	N/A	360	71.2
854 West Adams Boulevard Los Angeles CA 90007 United States of America	Residential	1,142	723	65.8

(3) PROPERTIES HELD FOR DEVELOPMENT AS AT 31ST MARCH, 2015

Description	Use	Approximate site area	Approximate gross floor area	Approximate percentage of Group's interest	Estimated completion date	Stage of development as at 31st March, 2015
		(square metres)	*(square metres)*			
People's Republic of China						
Meizhou Island Putian Fujian	Tourism/ Commercial	1,207,700	26,848	100	N/A	Phase I substantially completed
South of Heping Road and west of Xiangyu Avenue Qinghe District Huai An Jiangsu Land Lot No. 3208020060010004000	Multi-use	41,087	250,000	71.2	2017/2018	In planning stage
East of Taizhou Avenue and north of Yaocheng Avenue China Medical City (中國醫藥城) Taizhou Jiangsu Land Lot No. 321204102205GB00069	Residential	80,615	220,000	71.2	2017/2018	In planning stage
Tati City Shanting Township Putian, Fujian	Multi-use	1,292,400	150,963	71.2	N/A	Phase I completed
83 Estrada de Cacilhas Macau	Residential	3,398	26,025 (total saleable area)	65.8	Third quarter of 2015	Site works substantially completed
Overseas						
3 pieces of land at Minakami Heights Golf Residence Gumma Japan	Residential	12,484	N/A	65.8	N/A	Vacant land

(4) PROPERTIES HELD AS FIXED ASSETS AS AT 31ST MARCH, 2015

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	71.2
2nd Floor of Sun Court 3 Belcher's Street Kennedy Town Subsection 1 of Section C of Marine Lot No. 262, the remaining portion of Section C of Marine Lot No. 262 and the remaining portion of Marine Lot No. 262	Commercial	743	71.2
3 units and 3 car parking spaces of Celestial Garden 5 Repulse Bay Road Rural Building Lot No. 979	Residential	660	71.2

The above properties are held under long term leases.

(4) PROPERTIES HELD AS FIXED ASSETS AS AT 31ST MARCH, 2015 *(continued)*

Description	Use	Approximate gross floor area	Approximate percentage of Group's interest
		(square metres)	
People's Republic of China			
Basement, Ground Floor and 1st Floor The Macau Chinese Bank Building Avenida da Praia Grande No. 101 Macau	Commercial	1,558	65.8

The above property is held as propriedade privada.

Description	Use	Approximate gross floor area	Approximate percentage of Group's interest
Overseas			
2 Senoko Avenue Singapore 758298 Lot No. MK13-2293K	Commercial	7,387	28.1
2 Enterprise Road Singapore 629814 Lot No. 354 Mukim 6	Commercial	14,085	28.1
202 Pandan Loop Singapore 128390 Lot No. MK5-6304L	Commercial	2,602	28.1

The above properties are held under long term leases.

Summary of Financial Information

	Year ended 31st March, 2015 HK$'000	Year ended 31st March, 2014 HK$'000	Fifteen-month ended 31st March, 2013 HK$'000 (Restated)	Year ended 31st December, 2011 HK$'000	Year ended 31st December, 2010 HK$'000
Profit/(Loss) attributable to equity holders of the Company	**552,223**	112,173	(10,002)	698,327	1,932,124
Total assets	**19,271,322**	19,939,519	24,331,669	19,413,227	17,088,845
Total liabilities	**(4,462,417)**	(4,457,266)	(8,476,618)	(4,986,843)	(3,814,997)
Net assets	**14,808,905**	15,482,253	15,855,051	14,426,384	13,273,848
Non-controlling interests	**(5,511,081)**	(6,851,092)	(7,006,489)	(5,928,198)	(5,491,460)
Equity attributable to equity holders of the Company	**9,297,824**	8,631,161	8,848,562	8,498,186	7,782,388

The financial information for the years ended 31st December, 2010 and 2011 are not restated with the effect of the adoption of HKFRS 10 *Consolidated Financial Statements*, which was effective for the financial years beginning on or after 1st April, 2013 as it would involve delay and expenses out of proportion to the benefits of the shareholders.

Lippo Limited

力寶有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 226)