



Hongkong Chinese Limited

香港華人有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

2015

Interim Report

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The Directors of Hongkong Chinese Limited (the "Company") present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30th September, 2015.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30th September, 2015

	Note	Unaudited six months ended 30th September,	
		2015 HK\$'000	2014 HK\$'000
Revenue	4	1,218,605	114,516
Cost of sales	5	(811,678)	(31,627)
Gross profit		406,927	82,889
Administrative expenses		(41,829)	(39,179)
Other operating expenses		(41,690)	(21,777)
Gain on disposal of subsidiaries	16	211,655	310
Net fair value gain/(loss) on investment properties		(2,505)	20,081
Net fair value loss on financial instruments at fair value through profit or loss		(6,709)	(462)
Finance costs		(256)	(1,137)
Share of results of associates		694	14,289
Share of results of joint ventures	6	(124,527)	(78,976)
Profit/(Loss) before tax	5	401,760	(23,962)
Income tax	7	(53,179)	(20,357)
Profit/(Loss) for the period		348,581	(44,319)
Attributable to:			
Equity holders of the Company		347,785	(50,327)
Non-controlling interests		796	6,008
		348,581	(44,319)
		HK cents	HK cents
Earnings/(Loss) per share attributable to equity holders of the Company	8		
Basic		17.4	(2.5)
Diluted		N/A	N/A

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30th September, 2015

	Note	Unaudited six months ended 30th September, 2015 HK\$'000	2014 HK\$'000
Profit/(Loss) for the period		348,581	(44,319)
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		(571)	85
Adjustments for disposal		69	4
Income tax effect		288	371
		(214)	460
Share of other comprehensive loss of joint ventures:			
Share of changes in fair value of available-for-sale financial assets		(18,579)	(5,082)
Share of effective portion of changes in fair value of cash flow hedges		3,641	(1,351)
Share of exchange differences on translation of foreign operations		(255,862)	(76,807)
		(270,800)	(83,240)
Share of exchange differences on translation of a foreign associate		(1)	–
Exchange differences on translation of foreign operations		(66,472)	(9,126)
Adjustments relating to disposal of a subsidiary:			
Available-for-sale financial assets		(2,775)	–
Exchange differences on translation of foreign operation		202	–
Income tax effect		333	–
	16	(2,240)	–
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods and other comprehensive loss for the period, net of tax		(339,727)	(91,906)
Total comprehensive income/(loss) for the period		8,854	(136,225)
Attributable to:			
Equity holders of the Company		11,972	(142,428)
Non-controlling interests		(3,118)	6,203
		8,854	(136,225)

Condensed Consolidated Statement of Financial Position

As at 30th September, 2015

	Note	30th September, 2015 HK\$'000 (Unaudited)	31st March, 2015 HK\$'000 (Audited)
Non-current assets			
Goodwill		–	71,485
Fixed assets		49,424	65,327
Investment properties		117,805	245,178
Interests in associates		424,447	439,456
Interests in joint ventures	6	8,621,478	7,768,009
Other financial asset	16	14,404	–
Available-for-sale financial assets		7,485	88,904
Loans and advances		–	111,256
		9,235,043	8,789,615
Current assets			
Properties held for sale		170,488	115,571
Properties under development		26,955	816,766
Loans and advances		13,606	280,847
Debtors, prepayments and deposits	10	121,694	119,355
Available-for-sale financial assets		–	24,047
Financial assets at fair value through profit or loss		43,589	108,760
Tax recoverable		59	223
Client trust bank balances		340,605	324,982
Restricted cash		–	70,099
Treasury bills		–	38,800
Cash and bank balances		1,317,510	1,748,980
		2,034,506	3,648,430
Current liabilities			
Bank and other borrowings	11	–	464,542
Creditors, accruals and deposits received	12	611,025	935,700
Current, fixed, savings and other deposits of customers		–	444,582
Tax payable		113,155	296,220
		724,180	2,141,044
Net current assets		1,310,326	1,507,386
Total assets less current liabilities		10,545,369	10,297,001

Condensed Consolidated Statement of Financial Position (Continued)
As at 30th September, 2015

	Note	30th September, 2015 HK\$'000 (Unaudited)	31st March, 2015 HK\$'000 (Audited)
Non-current liabilities			
Other financial liability	16	270,630	–
Deferred tax liabilities		13,963	50,742
		284,593	50,742
Net assets			
		10,260,776	10,246,259
Equity			
Equity attributable to equity holders of the Company			
Share capital	13	1,998,280	1,998,280
Reserves	15	8,158,515	8,140,880
		10,156,795	10,139,160
Non-controlling interests		103,981	107,099
		10,260,776	10,246,259

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September, 2015

	Unaudited													
	Attributable to equity holders of the Company													
	Share capital	Share premium account	Share option reserve	Capital redemption reserve	Legal reserve	Regulatory reserve	Investment revaluation reserve	Other asset revaluation reserve	Hedging reserve	Exchange equalisation reserve	Distributable reserves	Total	Non-controlling interests	Total equity
	HKS'000	HKS'000	HKS'000	(Note 15(c)) HKS'000	(Note 15(d)) HKS'000	(Note 15(e)) HKS'000	HKS'000	HKS'000	(Note 15(f)) HKS'000	HKS'000	(Note 15(b)) HKS'000	HKS'000	HKS'000	HKS'000
At 1st April, 2015	1,998,280	92,775	-	22,144	20,114	2,691	460,839	36,074	6,540	335,986	7,163,717	10,139,160	107,099	10,246,259
Profit for the period	-	-	-	-	-	-	-	-	-	-	347,785	347,785	796	348,581
Other comprehensive income/(loss) for the period:														
Available-for-sale financial assets:														
Changes in fair value	-	-	-	-	-	-	(571)	-	-	-	-	(571)	-	(571)
Adjustments for disposal	-	-	-	-	-	-	69	-	-	-	-	69	-	69
Income tax effect	-	-	-	-	-	-	288	-	-	-	-	288	-	288
Share of other comprehensive loss of joint ventures	-	-	-	-	-	-	(18,579)	-	3,641	(255,862)	-	(270,800)	-	(270,800)
Share of exchange differences on translation of a foreign associate	-	-	-	-	-	-	-	-	-	(1)	-	(1)	-	(1)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	-	(62,558)	-	(62,558)	(3,914)	(66,472)
Adjustments relating to disposal of a subsidiary	-	-	-	-	-	-	(2,442)	-	-	202	-	(2,240)	-	(2,240)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(2,125)	-	3,641	(318,219)	347,785	11,972	(3,118)	8,854
Share of equity movements arising on equity transactions of joint ventures	-	-	2,165	-	-	-	-	-	933	28	42,503	45,629	-	45,629
Transfer of reserves upon disposal of a subsidiary	-	-	-	-	(20,114)	(2,691)	-	(36,074)	-	-	58,879	-	-	-
2014/2015 final distribution declared to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	(39,966)	(39,966)	-	(39,966)
At 30th September, 2015	1,998,280	92,775	2,165	22,144	-	-	439,604	-	11,114	17,795	7,572,918	10,156,795	103,981	10,260,776
At 1st April, 2014	1,998,280	92,775	-	22,144	9,840	2,691	433,393	36,074	(3,242)	949,559	6,850,001	10,391,515	248,033	10,639,548
Loss for the period	-	-	-	-	-	-	-	-	-	-	(50,327)	(50,327)	6,008	(44,319)
Other comprehensive income/(loss) for the period:														
Available-for-sale financial assets:														
Changes in fair value	-	-	-	-	-	-	85	-	-	-	-	85	-	85
Adjustments for disposal	-	-	-	-	-	-	4	-	-	-	-	4	-	4
Income tax effect	-	-	-	-	-	-	371	-	-	-	-	371	-	371
Share of other comprehensive loss of joint ventures	-	-	-	-	-	-	(5,082)	-	(1,351)	(76,807)	-	(83,240)	-	(83,240)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	-	(9,321)	-	(9,321)	195	(9,126)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(4,622)	-	(1,351)	(86,128)	(50,327)	(142,428)	6,203	(136,225)
Share of equity movements arising on equity transactions of joint ventures	-	-	-	-	-	-	-	-	-	-	1,657	1,657	-	1,657
Transfer of reserve	-	-	-	-	1,874	-	-	-	-	-	(1,874)	-	-	-
2013/2014 final distribution declared to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	(39,966)	(39,966)	-	(39,966)
At 30th September, 2014	1,998,280	92,775	-	22,144	11,714	2,691	428,771	36,074	(4,593)	863,431	6,759,491	10,210,778	254,236	10,465,014

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th September, 2015

	Note	Unaudited six months ended 30th September,	
		2015 HK\$'000	2014 HK\$'000
Net cash flows from/(used in) operating activities		568,377	(355,038)
Cash flows from investing activities			
Investments in joint ventures		(997,957)	(36,975)
Disposal of subsidiaries, net of cash and cash equivalent disposed of	16	109,079	310
Advance from other investors of a joint venture		270,630	–
Other cash flows arising from investing activities		23,446	50,999
Net cash flows from/(used in) investing activities		(594,802)	14,334
Cash flows from financing activities			
Drawdown of bank and other borrowings		20,000	210,660
Repayment of bank and other borrowings		(484,542)	(69,309)
Other cash flows arising from financing activities		68,774	(2,003)
Net cash flows from/(used in) financing activities		(395,768)	139,348
Net decrease in cash and cash equivalents		(422,193)	(201,356)
Cash and cash equivalents at the beginning of period		1,787,780	1,398,913
Exchange realignments		(48,077)	950
Cash and cash equivalents at end of period		1,317,510	1,198,507
Analysis of balances of cash and cash equivalents:			
Cash and bank balances		1,317,510	1,999,679
Treasury bills		–	48,500
Time deposits with original maturity of more than three months		–	(849,672)
		1,317,510	1,198,507

Notes to the Interim Financial Statements

1. BASIS OF PREPARATION

The interim financial statements are unaudited, condensed and have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are consistent with those used in the Group’s audited financial statements for the year ended 31st March, 2015, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations (hereinafter collectively referred to as the “new and revised HKFRSs”) as disclosed in Note 2 to the interim financial statements.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31st March, 2015.

2. CHANGES IN ACCOUNTING POLICIES

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

Amendments to HKAS 19 <i>Annual Improvements 2010–2012 Cycle</i> <i>Annual Improvements 2011–2013 Cycle</i>	<i>Defined Benefit Plans: Employee Contributions</i> Amendments to a number of HKFRSs Amendments to a number of HKFRSs
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The adoption of the new and revised HKFRSs has had no significant financial effect on the interim financial statements.

3. 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; and
- (g) the “other” segment comprises principally the development of computer hardware and software, money lending and the provision of project and fund management and investment advisory services.

Notes to the Interim Financial Statements (Continued)

3. SEGMENT INFORMATION (Continued)

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

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

Six months ended 30th September, 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	Other HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
Revenue									
External	6,125	1,172,634	7,816	3,499	10,456	8,062	10,013	-	1,218,605
Inter-segment	-	-	-	-	-	-	464	(464)	-
Total	6,125	1,172,634	7,816	3,499	10,456	8,062	10,477	(464)	1,218,605
Segment results	358	352,456	7,734	(4,550)	(3,495)	213,697	3,971	(464)	569,707
						(Note (a))			
Unallocated corporate expenses									(43,884)
Finance costs									(230)
Share of results of associates	-	703	-	-	-	-	(9)	-	694
Share of results of joint ventures	(124,884)	26	-	-	-	331	-	-	(124,527)
Profit before tax									401,760
Other segment information:									
Capital expenditure (Note (b))	-	-	-	-	12	999	39	-	1,050
Depreciation	(8)	(97)	-	-	(561)	(504)	(30)	-	(1,200)
Interest income	-	-	7,816	1,921	-	6,791	5,808	-	22,336
Finance costs	-	-	-	-	(26)	-	-	-	(26)
Gain on disposal of:									
A subsidiary	-	-	-	-	-	211,655	-	-	211,655
Available-for-sale financial assets	-	-	-	1,872	-	-	-	-	1,872
Write-back of provision/(Provisions) for impairment losses on:									
A joint venture	-	1,250	-	-	-	-	-	-	1,250
Bad and doubtful debts	-	-	-	-	-	(779)	-	-	(779)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	-	-	-	(7,730)	-	1,021	-	-	(6,709)
Net fair value loss on investment properties	(2,505)	-	-	-	-	-	-	-	(2,505)
Unallocated:									
Capital expenditure (Note (b))									8
Depreciation									(3,050)
Finance costs									(230)

Notes to the Interim Financial Statements (Continued)

3. SEGMENT INFORMATION (Continued)

Six months ended 30th September, 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	Other HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
Revenue									
External	5,416	50,945	25,590	4,863	10,801	11,479	5,422	-	114,516
Inter-segment	-	-	-	-	-	-	675	(675)	-
Total	5,416	50,945	25,590	4,863	10,801	11,479	6,097	(675)	114,516
Segment results	21,847	19,242	25,515	2,034	(6,791)	1,290	374	(675)	62,836
					(Note (a))				
Unallocated corporate expenses									(20,975)
Finance costs									(1,136)
Share of results of associates	-	14,294	-	-	-	-	(5)	-	14,289
Share of results of joint ventures	(78,625)	(62)	-	-	-	-	(289)	-	(78,976)
Loss before tax									(23,962)
Other segment information:									
Capital expenditure (Note (b))	-	160	-	-	1,840	401	6	-	2,407
Depreciation	(8)	(141)	-	-	(473)	(735)	(21)	-	(1,378)
Interest income	-	-	25,590	3,041	-	9,338	3,236	-	41,205
Finance costs	-	-	-	-	(1)	-	-	-	(1)
Gain on disposal of a subsidiary	-	-	-	-	-	-	310	-	310
Write-back of provision/(Provisions) for impairment losses on bad and doubtful debts	-	-	-	-	767	(222)	(2,572)	-	(2,027)
Net fair value loss on financial instruments at fair value through profit or loss	-	-	-	(462)	-	-	-	-	(462)
Net fair value gain on investment properties	20,081	-	-	-	-	-	-	-	20,081
Unallocated:									
Capital expenditure (Note (b))									55,674
Depreciation									(427)
Finance costs									(1,136)

Note:

(a) The amount included gain on disposal of a subsidiary of HK\$211,655,000 (2014 — Nil).

(b) Capital expenditure includes additions to fixed assets.

Notes to the Interim Financial Statements (Continued)

4. 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, gross income from 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:

	Six months ended 30th September,	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Property investment	6,125	5,416
Property development (Note)	1,172,634	50,945
Treasury investment	7,816	25,590
Securities investment	3,499	4,863
Corporate finance and securities broking	10,456	10,801
Banking business	8,062	11,479
Other	10,013	5,422
	1,218,605	114,516

Note: The revenue for the six months ended 30th September, 2015 mainly represented proceeds from sales of properties of the property development project in Macau which was completed during the period (2014 — proceeds from sales of properties of the property development project in Beijing).

Notes to the Interim Financial Statements (Continued)

5. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 30th September,	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of sales:		
Cost of properties sold (Note)	(804,446)	(24,033)
Other	(7,232)	(7,594)
	(811,678)	(31,627)
Interest income:		
Available-for-sale financial assets	1,921	3,041
Loans and advances	5,808	3,236
Banking business	6,791	9,338
Other	7,816	25,590
Dividend income	1,578	1,697
Net fair value gain/(loss) on:		
Financial assets at fair value through profit or loss	(7,730)	(462)
Derivative financial instrument	1,021	–
Gain on disposal of available-for-sale financial assets	1,872	–
Write-back of provision/(Provisions) for impairment losses on:		
A joint venture	1,250	–
Bad and doubtful debts	(779)	(2,027)
Interest expense attributable to the banking business	(1,928)	(2,400)
Depreciation	(4,250)	(1,805)
Foreign exchange losses — net	(16,800)	(2,428)

Note: The amount for the six months ended 30th September, 2015 mainly represented cost of properties sold of the property development project in Macau which was completed during the period (2014 — cost of properties sold of the property development project in Beijing).

6. SHARE OF RESULTS OF JOINT VENTURES/INTERESTS IN JOINT VENTURES

Interests in joint ventures mainly included the Group's interest in Lippo ASM Asia Property Limited ("LAAPL"). 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.

For the six months ended 30th September, 2015, the Group's share of loss in LAAPL amounted to approximately HK\$124,884,000 (2014 — HK\$78,625,000). The increase in share of loss was mainly attributable to the net fair value loss on investments designated at fair value through profit or loss. As at 30th September, 2015, the Group's interest in LAAPL was approximately HK\$8,382,943,000 (31st March, 2015 — HK\$7,753,772,000). Certain bank facilities under LAAPL were secured by certain listed shares held under it.

Notes to the Interim Financial Statements (Continued)

7. INCOME TAX

	Six months ended 30th September,	
	2015 HK\$'000	2014 HK\$'000
Hong Kong:		
Charge for the period	–	–
Overseas:		
Charge for the period	75,678	16,547
Overprovision in prior periods	–	(636)
Deferred	(22,499)	4,446
	53,179	20,357
Total charge for the period	53,179	20,357

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 period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

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

(a) *Basic earnings/(loss) per share*

Basic earnings/(loss) per share is calculated based on (i) the consolidated profit/(loss) for the period attributable to equity holders of the Company; and (ii) the weighted average number of approximately 1,998,280,000 ordinary shares (2014 — approximately 1,998,280,000 ordinary shares) in issue during the period.

(b) *Diluted earnings/(loss) per share*

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30th September, 2015 and 2014.

9. INTERIM DISTRIBUTION

	Six months ended 30th September,	
	2015 HK\$'000	2014 HK\$'000
Interim distribution, declared, of HK1 cent (2014 — HK1 cent) per ordinary share	19,983	19,983

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

10. 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:

	30th September, 2015 HK\$'000	31st March, 2015 HK\$'000
Outstanding balances with ages:		
Repayable on demand	8,089	10,293
Within 30 days	4,894	19,849
Between 31 and 60 days	9	37
	12,992	30,179

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.

11. BANK AND OTHER BORROWINGS

	30th September, 2015 HK\$'000	31st March, 2015 HK\$'000
Repayable within one year:		
Secured bank loans (Note a)	–	362,583
Unsecured other borrowings (Note b)	–	101,959
	–	464,542
Bank and other borrowings by currency:		
Hong Kong dollar	–	464,542

Note:

- (a) At 31st March, 2015, the bank loans were secured by first legal mortgages over certain properties under development of the Group and certain bank deposits of the Group with carrying amounts of HK\$790,041,000 and HK\$70,099,000, respectively.
- (b) The Group's other borrowings as at 31st March, 2015 comprised unsecured loans advanced from Lippo Limited ("Lippo"), an intermediate holding company of the Company, of HK\$101,959,000.

At 31st March, 2015, the Group's bank and other borrowings bore interest at floating rates ranging from 2.8 per cent. to 3.7 per cent. per annum. The bank and other borrowings were fully repaid during the period.

Notes to the Interim Financial Statements (Continued)

12. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

Creditors, accruals and deposits received mainly comprised of sale proceeds received from the property development project in Macau, which was completed during the period of HK\$6,923,000 (31st March, 2015 — HK\$426,706,000), and trade payables relating to cash balances held on trust for the customers in respect of the Group's securities broking operation of HK\$355,734,000 (31st March, 2015 — HK\$333,434,000). As at 30th September, 2015, total client trust bank balances amounted to HK\$340,605,000 (31st March, 2015 — HK\$324,982,000).

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

	30th September, 2015	31st March, 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Outstanding balances with ages:		
Repayable on demand	318,194	308,577
Within 30 days	37,540	24,857
	355,734	333,434

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.

13. SHARE CAPITAL

	30th September, 2015	31st March, 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Authorised:		
4,000,000,000 (31st March, 2015 — 4,000,000,000) ordinary shares of HK\$1.00 each	4,000,000	4,000,000
Issued and fully paid:		
1,998,280,097 (31st March, 2015 — 1,998,280,097) ordinary shares of HK\$1.00 each	1,998,280	1,998,280

14. SHARE OPTION SCHEME

Pursuant to the share option scheme of the Company (the "Share Option Scheme") adopted and approved by the shareholders of the Company, Lippo, an intermediate holding company of the Company, and Lippo China Resources Limited ("LCR"), a former intermediate holding company and currently a fellow subsidiary of the Company, on 7th June, 2007 (the "Adoption Date"), the board of the Directors of the Company (the "Board") may, at its discretion, offer to grant to any eligible employee (including director, officer and/or employee of the Group or any member of it); or any consultant, adviser, supplier, customer or sub-contractor of the Group or any member of it; or any other person whomsoever is determined by the Board as having contributed to the development, growth or benefit of the Group or any member of it or as having spent any material time in or about the promotion of the Group or its business (together, the "Eligible Persons") 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 shall not be later than the day last preceding the tenth anniversary of the date of grant. The Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised. However, the rules of the Share Option Scheme provide that the Board may determine, at its sole discretion, such term(s) on the grant of an option. No grantee of option is required to pay for the grant of the relevant option.

The overall limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and other share option schemes must not exceed 30 per cent. of the issued shares of the Company from time to time. The maximum number of shares in respect of which options may be granted under the Share Option Scheme shall not (when aggregated with any shares subject to options granted after the Adoption Date pursuant to any other share option scheme(s) of the Company) exceed 10 per cent. of the issued share capital of the Company on the Adoption Date, that is, 134,682,909 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 one 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.

At the beginning and end of the period, there were no outstanding options granted under the Share Option Scheme to subscribe for ordinary shares of HK\$1.00 each in the Company.

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

15. RESERVES

The amounts of the Group's reserves and movements therein for the current and prior periods are presented in the condensed consolidated statement of changes in equity on page 6.

- (a) Cancellation of the share premium account and transfer to distributable reserves:
Pursuant to a special resolution passed at a special general meeting of the Company on 2nd December, 1997, the entire amount standing to the credit of the share premium account of HK\$3,630,765,000 was cancelled (the "Cancellation"). The credit arising from the Cancellation was transferred to distributable reserves. The balance of the reserves arising from the Cancellation could be applied towards any capitalisation issues of the Company in future, or for making distributions to shareholders of the Company.
- (b) Distributable reserves of the Group at 30th September, 2015 comprised retained profits of HK\$6,807,960,000 (31st March, 2015 — HK\$6,358,793,000) and the remaining balance arising from the Cancellation of HK\$764,958,000 (31st March, 2015 — HK\$804,924,000).
- (c) The capital redemption reserve is not available for distribution to shareholders.
- (d) The legal reserve represents the part of reserve generated by The Macau Chinese Bank Limited ("MCB"), which may only be distributable in accordance with certain limited circumstances prescribed by the statute of the country in which MCB operates.
- (e) The regulatory reserve represents the part of reserve generated by MCB arising from the difference between the impairment allowance made under HKAS 39 and for regulatory purpose.
- (f) The hedging reserve relates to the Group's share of the hedging reserve under joint ventures.

16. DISPOSAL OF A SUBSIDIARY

In July 2015, the Group completed the disposal of an aggregate of 49 per cent. equity interest in The Macau Chinese Bank Limited (“MCB”), a licensed bank in Macau Special Administrative Region of the People’s Republic of China, to 南粵(集團)有限公司 (Nam Yue (Group) Company Limited) (“Nam Yue”) and Mr. Yang Jun (together, the “Purchasers”) for an aggregate consideration of MOP441,000,000 (equivalent to approximately HK\$427,770,000) (the “First Disposal”), resulting in a gain on disposal of HK\$211,655,000. Upon completion of the First Disposal, the Group owned 51 per cent. of the issued share capital of MCB and entered into a shareholders’ agreement with the Purchasers and MCB (the “Shareholders’ Agreement”) to, among other things, regulate the relationship among shareholders of MCB. As a result of the composition of the board of directors, MCB is accounted for as a joint venture of the Group and its results, assets and liabilities ceased to be consolidated in the financial statements of the Group.

As provided in the Shareholders’ Agreement, in the event of the Group holding 20 per cent. or less of the issued share capital of MCB, the Group will be entitled to a put option to require Nam Yue to purchase all the remaining shares in MCB held by the Group (the “Put Option”). The Put Option is exercisable at any time during a period of 5 years from the date when the Group’s shareholding interest in MCB becomes 20 per cent. or less. The right to exercise the Put Option survives any termination or expiry of the Shareholders’ Agreement. The fair value of the Put Option was included in “Other financial asset” of the consolidated statement of financial position.

Besides, on completion of the First Disposal, the Group entered into a loan agreement (the “Loan Agreement”) pursuant to which an unsecured loan of an aggregate amount of MOP279,000,000 (equivalent to approximately HK\$270,630,000) for 10 years was advanced to the Group by Nam Yue and Mr. Wong Garrick Jorge Kar Ho (“Mr. Wong”) (the “Unsecured Loan”). The Group may at its sole discretion (i) repay the loan in cash; or (ii) set off the loan amount by way of transferring 31 per cent. equity interest in MCB to Nam Yue and Mr. Wong. The Unsecured Loan was included in “Other financial liability” of the consolidated statement of financial position.

In October 2015, the Group entered into sale and purchase agreements for the disposal of a further 31 per cent. equity interest in MCB to Nam Yue and Mr. Wong (the “Second Disposal Agreements”) at an aggregate consideration of MOP279,000,000 (equivalent to approximately HK\$270,630,000) (the “Second Disposal”). The Second Disposal is subject to the approval of The Monetary Authority of Macau. Upon completion of the Second Disposal, the Group will own 20 per cent. of the issued share capital of MCB.

Upon signing of the Second Disposal Agreements, Nam Yue and Mr. Wong had fully paid the aggregate consideration as non-refundable deposit, by the set-off of the outstanding loan amount under the Loan Agreement. The Loan Agreement was terminated in accordance with its terms upon signing of the Second Disposal Agreements and the set-off of the non-refundable deposit.

Notes to the Interim Financial Statements (Continued)

16. DISPOSAL OF A SUBSIDIARY (Continued)

The following table summarises the consideration received and the amounts of net assets disposed of:

	Six months ended 30th September,	
	2015 HK\$'000	2014 HK\$'000
Net assets disposed of:		
Goodwill	71,485	–
Fixed assets	10,994	–
Investment properties	121,250	–
Available-for-sale financial assets	84,355	–
Loans and advances	363,609	–
Debtors, prepayments and deposits	13,586	–
Cash and bank balances	279,634	–
Treasury bills	38,800	–
Other payables, accruals and deposits received	(5,847)	–
Current, fixed, savings and other deposits of customers	(501,532)	–
Tax payable	(227)	–
Deferred tax liabilities	(13,456)	–
	462,651	–
Release of cumulative exchange difference on translation of foreign operation	202	–
Release of cumulative changes in fair value of available-for-sale financial assets, net of income tax effect	(2,442)	–
	(2,240)	–
Gain on disposal	460,411	–
	211,655	310
	672,066	310
Satisfied by:		
Cash consideration received	427,513	310
Increase in interests in a joint venture (Note)	231,170	–
Other financial asset	13,383	–
	672,066	310

Note: The Group has engaged an external valuer to perform fair value assessment on the net assets acquired. As at 30th September, 2015, the initial accounting for interests in joint venture has not been completed.

Notes to the Interim Financial Statements (Continued)

16. DISPOSAL OF A SUBSIDIARY (Continued)

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

	Six months ended 30th September,	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash consideration received	427,513	310
Cash and bank balances disposed of	(279,634)	–
Treasury bills disposed of	(38,800)	–
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	109,079	310

17. CONTINGENT LIABILITIES

As at 31st March, 2015, the Group had the following contingent liabilities relating to MCB:

	30th September,	31st March,
	2015	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Guarantees and other endorsements	–	34,273
Liabilities under letters of credit on behalf of customers	–	1,974
	–	36,247

18. COMMITMENTS

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

	30th September,	31st March,
	2015	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Commitments in respect of properties under developments:		
Contracted, but not provided for	11,825	55,666
Other commitments:		
Contracted, but not provided for (Note)	574	67,667
	12,399	123,333

Note: As at 31st March, 2015, the balance included the Group's capital commitments in respect of the joint ventures and associates for certain property projects in the Republic of Singapore of approximately HK\$67 million.

19. RELATED PARTY TRANSACTIONS

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

- (a) During the period, the Company paid rental expenses (including service charges) of HK\$1,442,000 (2014 — HK\$1,486,000) to fellow subsidiaries of the Company, in respect of office premises occupied by the Company. The rental was determined by reference to the then prevailing open market rentals.
- (b) During the period, the Group paid rental expenses (including service charges) of HK\$1,950,000 (2014 — Nil) to a joint venture of the Group. The rental was determined by reference to the then prevailing open market rentals.
- (c) During the period, the Group received trading commissions, brokerage service fees, collection fees and/or other incidental fees (the "Fees") in the total amount of HK\$199,000, HK\$2,000 and HK\$58,000 (2014 — HK\$173,000, HK\$601,000 and Nil) from LCR and its subsidiaries, Lippo and its subsidiaries (other than the Group and LCR and its subsidiaries) and Lippo Capital Limited and its subsidiaries (other than Lippo and its subsidiaries), respectively. The Fees were determined by reference to the prevailing fees offered to relevant market customers of comparable standing.
- (d) During the period, the Group received project management income of HK\$1,385,000 (2014 — Nil) and HK\$1,143,000 (2014 — Nil) from certain joint ventures of the Group and Lippo, respectively.
- (e) During the period, the Group received interest income of HK\$5,664,000 (2014 — HK\$3,030,000) from a joint venture of the Group.
- (f) During the period, certain joint ventures of the Group received rental income (including service charges) in the total amount of HK\$1,878,000 (2014 — HK\$4,280,000) from certain fellow subsidiaries of the Company. The rentals were determined by reference to the then prevailing open market rentals.
- (g) During the period, certain joint ventures of the Group purchased food and beverage products of HK\$771,000 (2014 — HK\$750,000) from certain fellow subsidiaries of the Company. The purchases were made on normal commercial terms in line with, and by reference to, the industry practice.
- (h) As at 30th September, 2015, the Group had amounts due from associates of HK\$71,466,000 (31st March, 2015 — HK\$72,805,000). The balances with the associates are unsecured, interest-free and have no fixed terms of repayment.
- (i) As at 30th September, 2015, the Group had trade receivables due from joint ventures of HK\$526,000 (31st March, 2015 — HK\$683,000) and amounts due from joint ventures of HK\$969,053,000 (31st March, 2015 — HK\$124,343,000), respectively. The trade receivables due from joint ventures arose from management services provided to the joint ventures, and are unsecured, non-interest-bearing and repayable within normal trade credit terms and are to be settled in cash. The amounts due from joint ventures include a balance of HK\$531,577,000, which is unsecured, bears interest at 6.5 per cent. per annum and is repayable in 2017 (31st March, 2015 — HK\$58,112,000, which was unsecured, bore interest at 9.5 per cent. per annum and was repayable in 2015). The amounts due from the joint ventures also included another loan of HK\$37,990,000 (31st March, 2015 — Nil), which is unsecured, bears interest at 6.5 per cent. per annum and is repayable on demand. The remaining balances with the joint ventures are unsecured, interest-free and have no fixed terms of repayment.

20. 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	
	30th September, 2015 HK\$'000	31st March, 2015 HK\$'000	30th September, 2015 HK\$'000	31st March, 2015 HK\$'000
Financial assets				
Available-for-sale financial assets	4,410	93,601	4,410	93,601
Financial assets at fair value through profit or loss	43,589	108,760	43,589	108,760
Other financial asset	14,404	–	14,404	–
	62,403	202,361	62,403	202,361
Financial liability				
Other financial liability	270,630	–	154,207	–

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, payables and accruals and current, fixed, savings and other deposits of customers approximate to their carrying amounts largely due to the short term maturity of these instruments. In addition, the fair values of interest-bearing bank and other borrowings with floating interest rates approximate to their carrying amounts.

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.

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

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

Notes to the Interim Financial Statements (Continued)

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

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

The fair values of listed equity investments and debt securities are based on quoted market prices.

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

The fair values of the Put Option and the Unsecured Loan are determined by Monte-Carlo simulation, which is the capitalisation of discounted cash flows generated by possible share price paths simulated by the model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments used in Level 3 fair value measurements at the end of the reporting period.

	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. (31st March, 2015 — 8 per cent. to 21 per cent.)	Increase/(Decrease) in discount rate would result in (decrease)/increase in fair value
Investment funds at fair value through profit or loss	Discounted cash flow method	Discount rate	5 per cent. (31st March, 2015 — 5 per cent.)	Increase/(Decrease) in discount rate would result in (decrease)/increase in fair value
Other financial asset: Put Option	Monte-Carlo simulation method	Discount rate	1 per cent. (31st March, 2015 — N/A)	Increase/(Decrease) in discount rate would result in (decrease)/increase in fair value
Other financial liability: Unsecured Loan	Monte-Carlo simulation method	Discount rate	6 per cent. (31st March, 2015 — N/A)	Increase/(Decrease) in discount rate would result in (decrease)/increase in fair value

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)*Fair value hierarchy*

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

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
At 30th September, 2015				
Assets measured at fair value				
Available-for-sale financial assets:				
Equity securities	53	–	–	53
Investment funds	–	–	4,357	4,357
Financial assets at fair value through profit or loss:				
Equity securities	33,570	–	–	33,570
Investment funds	–	231	9,788	10,019
Other financial asset:				
Derivative financial instrument	–	–	14,404	14,404
	33,623	231	28,549	62,403
Liabilities measured at fair value				
Other financial liability	–	–	154,207	154,207
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	–	4,873	7,478
Financial assets at fair value through profit or loss:				
Equity securities	95,968	–	–	95,968
Investment funds	–	294	12,498	12,792
	184,696	294	17,371	202,361

Notes to the Interim Financial Statements (Continued)

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

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

	Available- for-sale investment funds HK\$'000	Investment funds at fair value through profit or loss HK\$'000	Other financial asset HK\$'000	Other financial liability HK\$'000
Six months ended 30th September, 2015				
At 1st April, 2015	4,873	12,498	–	–
Total gains/(losses) recognised in the statement of profit or loss	–	(884)	1,021	–
Total losses recognised in other comprehensive income	(406)	–	–	–
Additions	–	–	13,383	(270,630)
Disposals	(108)	(1,819)	–	–
Deferred differences of fair value change (Note)	–	–	–	116,423
Exchange adjustments	(2)	(7)	–	–
At 30th September, 2015	4,357	9,788	14,404	(154,207)
Six months ended 30th September, 2014				
At 1st April, 2014	7,400	18,903	–	–
Total gains recognised in the statement of profit or loss	–	69	–	–
Total losses recognised in other comprehensive income	(1,148)	–	–	–
Addition	293	–	–	–
Disposals	–	(1,825)	–	–
Exchange adjustments	11	26	–	–
At 30th September, 2014	6,556	17,173	–	–

Note: The amount represented the difference between the fair value and the transaction price. The recognition of such difference is deferred to subsequent periods.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2014 — Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

21. EVENT AFTER THE REPORTING PERIOD

Saved as disclosed in Note 16 to the interim financial statements for the Second Disposal, there were no significant events after the reporting period.

Supplementary Financial Information

Disclosure Pursuant to Rule 13.22 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Set out below is a pro forma combined statement of financial position of the Group's affiliates as at 30th September, 2015 (being the latest practicable date for determining the relevant figures) required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited:

	<i>HK\$'000</i>
Pro forma combined statement of financial position	
Intangible assets	1,130,818
Fixed assets	3,555,280
Investment properties	23,788,267
Interests in equity-accounted investees	5,049,550
Properties held for sale	781,972
Properties under development	4,438,102
Available-for-sale financial assets	1,267,741
Financial assets at fair value through profit or loss	2,041,546
Loans and advances	351,591
Debtors, prepayments and deposits	395,181
Treasury bills	58,200
Cash and bank balances	2,950,058
Bank and other borrowings	(20,446,609)
Creditors, accruals and deposits received	(1,399,602)
Current, fixed, savings and other deposits of customers	(515,675)
Tax payable	(127,005)
Shareholders' advance	(1,184,675)
Deferred tax liabilities	(528,878)
Other net assets	65,608
Non-controlling interests	(12,569,764)
	<hr/>
	9,101,706
	<hr/>
Group's attributable interest (<i>Note</i>)	9,045,925

Note: The Group's attributable interest represents that portion attributable to the Group before non-controlling interests included therein.

Business Review and Prospects

Business Review Overview

Stepping into the second quarter of 2015, financial market volatility around the world increased dramatically. The outlook of the global economy was clouded with considerable uncertainty which included low commodity prices, U.S. Federal Reserve's policy of "dragging its feet" on U.S. interest rate rise, economic outlook for mainland China as well as intensifying geopolitical tension in various regions. In addition, the instability in global stock markets adversely affected general economic conditions. Weaker global economic performance in the second half of the year is therefore expected. The sharp stock market correction in mainland China and other Asian countries in the earlier months has dampened investor confidence in the region.

Though mainland China continues to be the leading economic performer in the region, recent economic data released by the National Bureau of Statistics showed only slightly better than expected growth with disappointing investment and export figures. The 6.9 per cent. growth in gross domestic product in the third quarter of 2015 is the worst quarterly performance since 2009.

On the positive side, the quantitative easing programmes adopted by, among others, the European Central Bank, Japan and mainland China, coupled with the prevailing low interest rate and surplus fund environment, has helped to maintain a more stable economic environment in the Asia region and hopefully, this will help to create new business opportunities.

Results for the Period

The Group recorded a consolidated profit attributable to shareholders of approximately HK\$348 million for the six months ended 30th September, 2015 (the "Period"), as compared to a consolidated loss of approximately HK\$50 million for the six months ended 30th September, 2014 (the "Last Period" or "2014"). Such profit was mainly attributable to recognition of profit from pre-sale upon completion of a property development project of the Group and the disposal of equity interest in a subsidiary during the Period.

Revenue for the Period increased to HK\$1,219 million (2014 — HK\$115 million). Such increase was mainly attributable to the revenue from the completion of a property development project in Macau during the Period.

Property development

The Group participated in a number of well-located property development projects in mainland China, Macau and Singapore.

The segment recorded a revenue and net profit of HK\$1,173 million (2014 — HK\$51 million) and HK\$352 million (2014 — HK\$19 million), respectively for the Period, mainly from the completion of sale of properties of "M Residences".

“M Residences” is a residential property development at 83 Estrada de Cacilhas, Macau, in which the Group has 100 per cent. interest. “M Residences”, with a site area of approximately 3,398 square metres, has been developed into 311 residential units with a total saleable area of approximately 26,025 square metres. Occupation permit of “M Residences” was obtained in June 2015 and all the pre-sold residential units have been handed over to the buyers. As at 30th September, 2015, only 5 residential units and some carparks remained unsold.

Property investment

The segment revenue from the property investment business for the Period amounted to HK\$6 million (2014 — HK\$5 million). Coupled with the net fair value loss on investment properties for the Period of HK\$3 million (2014 — gain of HK\$20 million), the segment profit decreased to HK\$0.4 million for the Period (2014 — HK\$22 million) before accounting for the results from the Group’s joint ventures.

Lippo ASM Asia Property Limited (“LAAPL”), a principal joint venture of the Company, is the vehicle holding the controlling stake 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. The OUE Group has substantial and stable recurrent income stream from its high quality properties. The OUE Group remains focused on its asset enhancement initiatives at OUE Downtown in Singapore and U.S. Bank Tower in California, U.S. As at 30th September, 2015, LAAPL had an aggregate equity interest of approximately 68.52 per cent. in OUE.

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 portfolio includes Mandarin Orchard Singapore, Mandarin Gallery and Crowne Plaza Changi Airport Hotel in Singapore. As at 30th September, 2015, LAAPL and its subsidiaries held approximately 42.7 per cent. of the total number of stapled securities units of OUE H-Trust in issue and to be issued.

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 and One Raffles Place in Singapore as well as the properties at Lippo Plaza in Shanghai. The occupancy rate of its property portfolio is high. The acquisition of an indirect interest in One Raffles Place was completed in October 2015. As at 30th September, 2015, the OUE Group held approximately 48.4 per cent. of the total number of OUE C-REIT units in issue and to be issued.

In May 2015, the Group advanced a loan of S\$54 million to a subsidiary of LAAPL (the “LAAPL Subsidiary”) and made equity subscription in LAAPL in proportion to its existing interest in LAAPL for a consideration of S\$23 million. The proceeds were applied to repay part of the indebtedness under LAAPL and for working capital purposes. In August 2015, the Group further advanced a loan of S\$100 million to the LAAPL Subsidiary which was mainly utilised to repay part of the indebtedness under LAAPL. The Group recorded a share of loss of HK\$125 million from the investment in LAAPL for the Period (2014 — HK\$79 million). The increase of share of loss was mainly attributable to the net fair value loss on investments designated at fair value through profit or loss. Besides, affected by the depreciation of the Singapore dollar during the Period, the Group shared a decrease in exchange reserves on translation of LAAPL’s investment of HK\$256 million (2014 — HK\$77 million) during the Period. The total interests in LAAPL increased from HK\$7.8 billion as at 31st March, 2015 to HK\$8.4 billion as at 30th September, 2015.

Banking business

The Macau Chinese Bank Limited (“MCB”), a licensed bank in Macau and previously a wholly-owned subsidiary of the Company, maintained steady performance during the Period.

In July 2015, the Group completed the disposal of an aggregate of 49 per cent. equity interest in MCB to 南粵(集團)有限公司 (Nam Yue (Group) Company Limited) (“Nam Yue”) and Mr. Yang Jun (together, the “Purchasers”) for an aggregate consideration of MOP441 million (the “First Disposal”). Upon completion of the First Disposal, the Group owned 51 per cent. of the issued share capital of MCB and entered into a shareholders’ agreement with the Purchasers and MCB (the “Shareholders’ Agreement”) to, among other things, regulate the relationship among shareholders of MCB. After entering into the Shareholders’ Agreement, as a result of the composition of the board of directors of MCB and other terms and in compliance with the current accounting standards, MCB is accounted for as a joint venture of the Company and its results, assets and liabilities ceased to be consolidated in the accounts of the Company even though MCB continues to be a subsidiary of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Further details of the First Disposal were set out in the joint announcements of the Company and Lippo Limited dated 26th June, 2015 and 27th July, 2015.

As provided in the Shareholders’ Agreement, in the event of the Group holding 20 per cent. or less of the issued share capital of MCB, the Group will be entitled to a put option to require Nam Yue to purchase all the remaining shares in MCB held by the Group (the “Put Option”). The Put Option is exercisable at any time during a period of 5 years from the date when the Group’s shareholding interest in MCB becomes 20 per cent. or less. The right to exercise the Put Option survives any termination or expiry of the Shareholders’ Agreement. The fair value of the Put Option was included in “Other financial asset” of the consolidated statement of financial position.

The Group recognised a gain on disposal of the subsidiary of HK\$212 million during the Period (which has included the fair value of the Put Option at completion date, subject to audit and finalisation of fair value assessment of the net assets acquired).

Besides, on completion of the First Disposal, the Group entered into a loan agreement (the “Loan Agreement”) pursuant to which an unsecured loan of an aggregate amount of MOP279 million for 10 years was advanced to the Group by Nam Yue and Mr. Wong Garrick Jorge Kar Ho (“Mr. Wong”) (the “Unsecured Loan”). The Group may at its sole discretion (i) repay the loan in cash; or (ii) set off the loan amount by way of transferring 31 per cent. equity interest in MCB to Nam Yue and Mr. Wong. The Unsecured Loan was included in “Other financial liability” of the consolidated statement of financial position.

In October 2015, the Group entered into sale and purchase agreements for the disposal of a further 31 per cent. equity interest in MCB to Nam Yue and Mr. Wong (the “Second Disposal Agreements”) at an aggregate consideration of MOP279 million (the “Second Disposal”). The Second Disposal is subject to the approval of The Monetary Authority of Macau. Upon completion of the Second Disposal, the Group will own 20 per cent. of the issued share capital of MCB.

Upon signing of the Second Disposal Agreements, Nam Yue and Mr. Wong had fully paid the aggregate consideration as non-refundable deposit, by the set-off of the outstanding loan amount under the Loan Agreement. The Loan Agreement was terminated in accordance with its terms upon signing of the Second Disposal Agreements and the set-off of the non-refundable deposit. Further details of the Second Disposal were set out in the joint announcement of the Company and Lippo Limited dated 28th October, 2015 and the circular to shareholders of the Company dated 18th November, 2015.

Treasury and securities investments

Treasury and securities investments businesses recorded a revenue of HK\$11 million during the Period (2014 — HK\$30 million), mainly attributable to the interest and dividend income received from the investment portfolio. The Group cautiously managed its investment portfolio and looked for opportunities to enhance yields and seek gains. However, due to the substantial downturn of global stock market in the third quarter of year 2015, the Group recorded net fair value loss on its investment portfolio. As a result, the treasury and securities investments businesses recorded a segment profit of HK\$3 million for the Period (2014 — HK\$28 million).

Corporate finance and securities broking

Lippo Securities Holdings Limited is a wholly-owned subsidiary of the Company and its subsidiaries are principally engaged in underwriting, securities brokerage, corporate finance, investment advisory and other related financial services.

Though the major stock markets in U.S. and Europe performed well during the Period, the turbulent and volatile stock markets in Hong Kong and mainland China have made the local operating environment of corporate finance and securities broking business challenging. The outlook for the local stock market will be dependent on the market conditions in mainland China and global economic development. This segment registered a revenue of HK\$10 million for the Period (2014 — HK\$11 million) and the loss of this segment was HK\$3 million for the Period (2014 — HK\$7 million).

Financial Position

The Group's financial position remained healthy. As at 30th September, 2015, its total assets decreased to HK\$11.3 billion (31st March, 2015 — HK\$12.4 billion). Property-related assets increased to HK\$9.7 billion (31st March, 2015 — HK\$9.5 billion), representing 86 per cent. (31st March, 2015 — 77 per cent.) of the total assets. The Group maintained a strong cash position. Total cash and bank balances as at 30th September, 2015 amounted to HK\$1.3 billion (31st March, 2015 — HK\$1.7 billion). Current ratio as at the end of the reporting period increased to 2.8 (31st March, 2015 — 1.7).

As at 31st March, 2015, total bank and other borrowings amounted to HK\$465 million. The Group fully repaid all the outstanding bank and other borrowings during the Period.

The net asset value attributable to equity holders of the Group remained robust and amounted to HK\$10.2 billion as at 30th September, 2015 (31st March, 2015 — HK\$10.1 billion). This was equivalent to HK\$5.1 per share (31st March, 2015 — HK\$5.1 per share).

The Group monitors the 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.

Since MCB was no longer a subsidiary of the Company under the current accounting standards, there were no contingent liabilities for the Group as at 30th September, 2015. The Group had contingent liabilities relating to MCB of approximately HK\$36 million as at 31st March, 2015, comprising guarantees and other endorsements of approximately HK\$34 million and liabilities under letters of credit on behalf of customers of approximately HK\$2 million.

The Group's commitments mainly arise from its property development projects. As the site works of "M Residences" were completed during the Period, the total commitment as at 30th September, 2015 decreased to HK\$12 million (31st March, 2015 — HK\$123 million). The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

Staff and Remuneration

The Group had 100 employees as at 30th September, 2015 (2014 — 160 employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss during the Period amounted to HK\$29 million (2014 — HK\$28 million). 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

The economic prospects for Asia remain positive but the outlook of the global economy is clouded with considerable uncertainty. Continuing uncertainty about U.S. Federal Reserve's policy on U.S. interest rate and geopolitical tensions in various regions, if prolonged, 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 maintaining investor confidence and create new business opportunities. The Group will continue to be watchful of market developments and will manage its portfolio with a view to further improving overall asset quality.

Additional Information

Interim Distribution

The Directors have resolved to declare the payment of an interim distribution of HK1 cent (2014 — HK1 cent) per share amounting to approximately HK\$20 million for the six months ended 30th September, 2015 (2014 — approximately HK\$20 million), which will be paid on or about Wednesday, 27th January, 2016 to shareholders whose names appear on the Company's Register of Members on Wednesday, 13th January, 2016.

Closure of Register of Members

The Register of Members of the Company will be closed from Monday, 11th January, 2016 to Wednesday, 13th January, 2016 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim distribution for the six months ended 30th September, 2015, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with Tricor Tengis Limited, the Company's Branch Share Registrar in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 8th January, 2016.

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

As at 30th September, 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
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Number of ordinary shares of HK\$1.00 each in the Company

Stephen Riady	–	–	1,315,707,842 <i>Note (i)</i>	1,315,707,842	65.84
John Lee Luen Wai	2,000,270	270	–	2,000,540	0.10
Tsui King Fai	600,000	75,000	–	675,000	0.03
Kor Kee Yee	606,000	–	–	606,000	0.03

Number of ordinary shares in Lippo Limited ("Lippo")

Stephen Riady	–	–	327,008,219 <i>Notes (i) and (ii)</i>	327,008,219	66.31
John Lee Luen Wai	1,031,250	–	–	1,031,250	0.21

Number of ordinary shares in Lippo China Resources Limited ("LCR")

Stephen Riady	–	–	6,544,696,389 <i>Notes (i), (ii) and (iii)</i>	6,544,696,389	71.24
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Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations (Continued)

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

Note:

- (i) As at 30th September, 2015, Lippo Capital Limited ("Lippo Capital"), an associated corporation (within the meaning of Part XV of the SFO) of 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, 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 include, 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 30th September, 2015, Lippo Capital, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in an aggregate of 327,008,219 ordinary shares in, representing approximately 66.31 per cent. of the issued shares of, Lippo.
- (iii) As at 30th September, 2015, Lippo was indirectly interested in 6,544,696,389 ordinary shares in, representing approximately 71.24 per cent. of the issued shares of, LCR.

For the reasons outlined above, through his deemed interest 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
First Tower Corporation	Ordinary shares	1	100
Gemdale Properties and Investment Corporation Limited	Ordinary shares	2,900,000,000	19.15

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

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

Name of associated corporation	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Grand Peak Investment Limited	Ordinary shares	2	100
Great Honor Investments Limited	Ordinary shares	1	100
Greenorth Holdings Limited	Ordinary shares	1	100
Hennessy 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
Prime Success Limited	Ordinary shares	1	100
Skyscraper Realty Limited	Ordinary shares	10	100
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 30th September, 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 include, 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 30th September, 2015, Mr. Kor Kee Yee, as beneficial owner, was interested in 2,444,000 ordinary shares in, representing approximately 9.29 per cent. of, the issued shares of TechnoSolve Limited, an associated corporation (within the meaning of Part XV of the SFO) of the Company.

As at 30th September, 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 30th September, 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 30th September, 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).

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

As at 30th September, 2015, so far as is known to the Directors of the Company, the following substantial shareholders (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) and other person, 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") and/or as notified to the Company as follows:

Interests of substantial shareholders (as defined under the Listing Rules) and other person in shares of the Company

Name	Number of ordinary shares of HK\$1.00 each	Approximate percentage of interests in the issued shares
<i>Substantial shareholders:</i>		
Hennessy Holdings Limited ("Hennessy")	1,315,707,842	65.84
Prime Success Limited ("Prime Success")	1,315,707,842	65.84
Lippo Limited ("Lippo")	1,315,707,842	65.84
Lippo Capital Limited ("Lippo Capital")	1,315,707,842	65.84
Lanius Limited ("Lanius")	1,315,707,842	65.84
Dr. Mochtar Riady	1,315,707,842	65.84
Madam Lidya Suryawaty	1,315,707,842	65.84
<i>Other person:</i>		
Farallon Capital Management, L.L.C. ("Farallon")	199,620,650	9.98

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

Interests of substantial shareholders (as defined under the Listing Rules) and other person in shares of the Company (Continued)

Note:

1. Hennessy, the immediate holding company of the Company, as beneficial owner, directly held 1,315,707,842 ordinary shares of HK\$1.00 each in, representing approximately 65.84 per cent. of the issued shares of, the Company.
2. Hennessy is wholly owned by Prime Success which in turn is wholly owned by Lippo.
3. Lippo Capital, the holding company of Lippo, together with its wholly-owned subsidiary, J & S Company Limited, owns ordinary shares representing approximately 66.31 per cent. of the issued shares of Lippo.
4. 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 Lippo Capital under the provisions of the SFO.
5. Hennessy's interests in the ordinary shares of the Company were recorded as the interests of Prime Success, Lippo, Lippo Capital, Lanius, Dr. Mochtar Riady and Madam Lidya Suryawaty. The above 1,315,707,842 ordinary shares in the Company related to the same block of shares that Dr. Stephen Riady was interested, details of which are disclosed in the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations". Dr. Mochtar Riady, his wife Madam Lidya Suryawaty and Dr. Stephen Riady were taken to be interested in the shares of the Company under the provisions of the SFO.
6. Farallon, through the entities and accounts managed by it as investment adviser (both directly and through its wholly-owned subsidiary Farallon Capital Asia Pte. Ltd. (formerly known as Noonday Asset Management Pte. Ltd.)), namely Farallon Capital Partners, L.P., Farallon Capital Institutional Partners, L.P., Farallon Capital Institutional Partners II, L.P., Farallon Capital Institutional Partners III, L.P., Farallon Capital (AM) Investors, L.P., Farallon Capital Offshore Investors II, L.P., Noonday Capital Partners, L.L.C., Noonday Offshore, Inc. and Farallon Capital AA Investors, L.P., was indirectly interested in an aggregate of 199,620,650 ordinary shares of HK\$1.00 each in, representing approximately 9.98 per cent. of the issued shares of, the Company.
7. The percentage of interests of "other person" in the issued shares stated in this section is based on the disclosure form filed with the Company.

All the interests stated above represent long positions. Save as disclosed herein, as at 30th September, 2015, none of the substantial shareholders (as defined under the Listing Rules) or other person, other than the Directors or chief executive of the Company, had any 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 SFO.

Updated Directors' Information

The following is the updated information of the Directors of the Company disclosed pursuant to rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited:

On 10th August, 2015, Mr. Leon Chan Nim Leung ceased to be the chairman of the supervisory board of a subsidiary of the Company. He remains as a member of such supervisory board.

On 6th November, 2015, Mr. John Lee Luen Wai was appointed as an independent non-executive director of UMP Healthcare Holdings Limited, a company to be listed on The Stock Exchange of Hong Kong Limited on 27th November, 2015.

Share Option Scheme

Details of the share option scheme of the Company are disclosed in Note 14 to the interim financial statements.

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

During the six months ended 30th September, 2015, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

Audit Committee

The Company has established an audit committee (the "Committee"). The existing members of the Committee comprise three independent non-executive Directors, namely Mr. Tsui King Fai (Chairman), Mr. Albert Saychuan Cheok and Mr. Victor Yung Ha Kuk and one non-executive Director, Mr. Leon Chan Nim Leung. The Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited consolidated interim financial statements of the Company for the six months ended 30th September, 2015.

Corporate Governance

The Company is committed to ensuring a high standard of corporate governance practices. The Company's Board of Directors (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.

Additional Information (*Continued*)

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the six months ended 30th September, 2015.

Model Code for Securities Transactions by Directors

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

By Order of the Board
Hongkong Chinese Limited
John Lee Luen Wai
Chief Executive Officer

Hong Kong, 26th November, 2015

Corporate Information

Board of Directors

Executive Directors

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

Non-executive Director

Mr. Leon Chan Nim Leung

Independent non-executive Directors

Mr. Albert Saychuan Cheok
Mr. Victor Yung Ha Kuk
Mr. Tsui King Fai

Committees

Audit Committee

Mr. Tsui King Fai (*Chairman*)
Mr. Leon Chan Nim Leung
Mr. Albert Saychuan Cheok
Mr. Victor Yung Ha Kuk

Remuneration Committee

Mr. Tsui King Fai (*Chairman*)
Dr. Stephen Riady
Mr. Leon Chan Nim Leung
Mr. Albert Saychuan Cheok
Mr. Victor Yung Ha Kuk

Nomination Committee

Mr. Tsui King Fai (*Chairman*)
Dr. Stephen Riady
Mr. Leon Chan Nim Leung
Mr. Albert Saychuan Cheok
Mr. Victor Yung Ha Kuk

Secretary

Mr. Andrew Hau Tat Kwong

Auditors

Ernst & Young

Principal Bankers

China CITIC Bank International Limited
Standard Chartered Bank
Bank of Beijing Co., Ltd.
The Bank of East Asia, Limited
Raiffeisen Bank International AG,
Singapore Branch
Oversea-Chinese Banking Corporation Limited

Solicitors

Howse Williams Bowers

Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

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

Registered Office

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal Place of Business

24th Floor, Tower One
Lippo Centre
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