



**Lippo China Resources Limited**

**力寶華潤有限公司**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 156)

**2015**

Interim Report



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

## Condensed Consolidated Statement of Profit or Loss

For the six months ended 30th September, 2015

|  |             | <b>Unaudited</b>                        |                 |
|--|-------------|---|-----------------|
|  |             | <b>six months ended 30th September,</b> |                 |
|  |             | <b>2015</b>                             | <b>2014</b>     |
|  | <i>Note</i> | <i>HK\$'000</i>                         | <i>HK\$'000</i> |
| <b>Revenue</b>   | 4           | <b>1,301,550</b>                        | 1,387,849       |
| Cost of sales  |             | <b>(701,292)</b>                        | (776,333)       |
| <b>Gross profit</b>  |             | <b>600,258</b>                          | 611,516         |
| Administrative expenses  |             | <b>(394,466)</b>                        | (421,009)       |
| Other operating expenses   |             | <b>(238,964)</b>                        | (196,449)       |
| Net gain on disposal of subsidiaries   | 16          | –                                       | 11,644          |
| Net fair value gain on investment properties   |             | <b>4,250</b>                            | 17,875          |
| Net fair value gain/(loss) on financial instruments at fair value through profit or loss | 5           | <b>(164,585)</b>                        | 11,925          |
| Provision for impairment losses on intangible assets                                     | 6           | <b>(113,434)</b>                        | –               |
| Provision for impairment losses on properties under development                          | 7           | <b>(60,428)</b>                         | –               |
| Finance costs  |             | <b>(10,598)</b>                         | (10,338)        |
| Share of results of associates   |             | <b>(1,075)</b>                          | 1,324           |
| Share of results of joint ventures   |             | <b>2,629</b>                            | 2,310           |
| <b>Profit/(Loss) before tax</b>  | 5           | <b>(376,413)</b>                        | 28,798          |
| Income tax   | 8           | <b>(12,954)</b>                         | (22,188)        |
| <b>Profit/(Loss) for the period</b>  |             | <b>(389,367)</b>                        | 6,610           |
| <b>Attributable to:</b>  |             |   |                 |
| Equity holders of the Company  |             | <b>(313,668)</b>                        | 6,023           |
| Non-controlling interests  |             | <b>(75,699)</b>                         | 587             |
|  |             | <b>(389,367)</b>                        | 6,610           |
|  |             | <b>HK cents</b>                         | <b>HK cents</b> |
| <b>Earnings/(Loss) per share attributable to equity holders of the Company</b>           | 9           |   |                 |
| Basic  |             | <b>(3.41)</b>                           | 0.07            |
| Diluted  |             | <b>N/A</b>                              | N/A             |

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30th September, 2015

|   | Unaudited  |                  |
|---|--|------------------|
|   | six months ended 30th September,<br>2015<br>HK\$'000 | 2014<br>HK\$'000 |
| <b>Profit/(Loss) for the period</b>   | <b>(389,367)</b>                                     | 6,610            |
| <b>Other comprehensive income/(loss)</b>  |  |                  |
| Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:   |  |                  |
| Available-for-sale financial assets:  |  |                  |
| Changes in fair value   | <b>(1,209)</b>                                       | 672              |
| Share of exchange differences on translation of a foreign associate   | <b>2,567</b>   | –                |
| Exchange differences on translation of foreign operations   | <b>(96,791)</b>                                      | (11,674)         |
| Adjustments relating to disposal of foreign subsidiaries  | –  | (2,700)          |
| Net other comprehensive loss to be reclassified to profit or loss in subsequent periods and other comprehensive loss for the period, net of tax | <b>(95,433)</b>                                      | (13,702)         |
| <b>Total comprehensive loss for the period</b>  | <b>(484,800)</b>                                     | (7,092)          |
| <b>Attributable to:</b>   |  |                  |
| Equity holders of the Company   | <b>(364,777)</b>                                     | 2,213            |
| Non-controlling interests   | <b>(120,023)</b>                                     | (9,305)          |
|   | <b>(484,800)</b>                                     | (7,092)          |

# Condensed Consolidated Statement of Financial Position

As at 30th September, 2015

|   | Note | 30th September,<br>2015<br>HK\$'000<br>(Unaudited) | 31st March,<br>2015<br>HK\$'000<br>(Audited) |
|---|------|--|--|
| <b>Non-current assets</b>                             |      |  |  |
| Intangible assets                                     |      | 293,465  | 427,303                                      |
| Exploration and evaluation assets                     |      | 1,404  | 1,040  |
| Fixed assets  |      | 307,598  | 343,368                                      |
| Investment properties                                 |      | 1,236,941  | 1,238,691                                    |
| Interests in associates                               |      | 55,596   | 56,954                                       |
| Interests in joint ventures                           |      | 18,730   | 16,833                                       |
| Available-for-sale financial assets                   |      | 226,368  | 115,544                                      |
| Loans and advances                                    |      | 3,571  | 1,582  |
| Debtors, prepayments and deposits                     | 11   | 64,946   | 67,487                                       |
| Deferred tax assets                                   |      | 5,693  | 6,812  |
|   |      | <b>2,214,312</b>                                   | <b>2,275,614</b>                             |
| <b>Current assets</b>                                 |      |  |  |
| Properties held for sale                              |      | 5,639  | 5,639  |
| Properties under development                          |      | 520,786  | 598,352                                      |
| Inventories   |      | 244,713  | 274,628                                      |
| Loans and advances                                    |      | 9,911  | 8,082  |
| Debtors, prepayments and deposits                     | 11   | 435,174  | 451,616                                      |
| Financial assets at fair value through profit or loss |      | 843,659  | 314,467                                      |
| Other financial asset                                 |      | 187  | 169  |
| Tax recoverable                                       |      | 9,746  | 12,395                                       |
| Restricted cash                                       |      | 17,546   | 22,700                                       |
| Cash and bank balances                                |      | 1,536,701  | 2,548,139                                    |
|   |      | <b>3,624,062</b>                                   | <b>4,236,187</b>                             |
| <b>Current liabilities</b>                            |      |  |  |
| Bank and other borrowings                             | 12   | 56,531   | 302,280                                      |
| Creditors, accruals and deposits received             | 13   | 648,725  | 575,157                                      |
| Other financial liabilities                           |      | 7,141  | 4,522  |
| Tax payable   |      | 211,081  | 265,751                                      |
|   |      | <b>923,478</b>                                     | <b>1,147,710</b>                             |
| <b>Net current assets</b>                             |      | <b>2,700,584</b>                                   | <b>3,088,477</b>                             |
| <b>Total assets less current liabilities</b>          |      | <b>4,914,896</b>                                   | <b>5,364,091</b>                             |

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

|  | Note | 30th September,<br>2015<br>HK\$'000<br>(Unaudited) | 31st March,<br>2015<br>HK\$'000<br>(Audited) |
|--|------|--|--|
| <b>Non-current liabilities</b>                       |      |  |  |
| Bank and other borrowings                            | 12   | 516,916  | 372,220                                      |
| Creditors, accruals and deposits received            | 13   | 30,868   | 30,724                                       |
| Deferred tax liabilities                             |      | 48,604   | 53,854                                       |
|  |      | <b>596,388</b>                                     | 456,798                                      |
| <b>Net assets</b>                                    |      | <b>4,318,508</b>                                   | 4,907,293                                    |
| <b>Equity</b>  |      |  |  |
| Equity attributable to equity holders of the Company |      |  |  |
| Share capital  | 14   | 1,705,907  | 1,705,907                                    |
| Reserves   |      | 2,136,338  | 2,597,578                                    |
|  |      | <b>3,842,245</b>                                   | 4,303,485                                    |
| Non-controlling interests                            |      | 476,263  | 603,808                                      |
|  |      | <b>4,318,508</b>                                   | 4,907,293                                    |

# 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<br>HK\$'000                     | Share option reserve<br>HK\$'000 | Investment revaluation reserve<br>HK\$'000 | Other asset revaluation reserve<br>HK\$'000 | Exchange equalisation reserve<br>HK\$'000 | Retained profits<br>HK\$'000 | Total<br>HK\$'000 | Non-controlling interests<br>HK\$'000 | Total equity<br>HK\$'000 |
| At 1st April, 2015   | 1,705,907                                     | 1,324                            | 428  | -   | 103,461                                   | 2,492,365                    | 4,303,485         | 603,808                               | 4,907,293                |
| Loss for the period  | -   | -                                | -  | -   | -   | (313,668)                    | (313,668)         | (75,699)                              | (389,367)                |
| Other comprehensive income/(loss) for the period:                          |   |                                  |  |   |   |                              |                   |                                       |                          |
| Available-for-sale financial assets:                                       |   |                                  |  |   |   |                              |                   |                                       |                          |
| Changes in fair value  | -   | -                                | (1,209)                                    | -   | -   | -                            | (1,209)           | -                                     | (1,209)                  |
| Share of exchange differences on translation of a foreign associate        | -   | -                                | -  | -   | 2,567                                     | -                            | 2,567             | -                                     | 2,567                    |
| Exchange differences on translation of foreign operations                  | -   | (74)                             | -  | -   | (52,393)                                  | -                            | (52,467)          | (44,324)                              | (96,791)                 |
| Total comprehensive loss for the period                                    | -   | (74)                             | (1,209)                                    | -   | (49,826)                                  | (313,668)                    | (364,777)         | (120,023)                             | (484,800)                |
| 2014/2015 final dividend declared to shareholders of the Company           | -   | -                                | -  | -   | -   | (68,902)                     | (68,902)          | -                                     | (68,902)                 |
| 2014/2015 special final dividend declared to shareholders of the Company   | -   | -                                | -  | -   | -   | (27,561)                     | (27,561)          | -                                     | (27,561)                 |
| Dividend declared and paid to non-controlling shareholders of a subsidiary | -   | -                                | -  | -   | -   | -                            | -                 | (7,522)                               | (7,522)                  |
| <b>At 30th September, 2015</b>   | <b>1,705,907</b>                              | <b>1,250</b>                     | <b>(781)</b>                               | <b>-</b>                                    | <b>53,635</b>                             | <b>2,082,234</b>             | <b>3,842,245</b>  | <b>476,263</b>                        | <b>4,318,508</b>         |
| At 1st April, 2014   | 1,705,907                                     | 1,518                            | (1,019)                                    | 27,039                                      | 218,570                                   | 2,189,665                    | 4,141,680         | 756,660                               | 4,898,340                |
| Profit for the period  | -   | -                                | -  | -   | -   | 6,023                        | 6,023             | 587                                   | 6,610                    |
| Other comprehensive income/(loss) for the period:                          |   |                                  |  |   |   |                              |                   |                                       |                          |
| Available-for-sale financial assets:                                       |   |                                  |  |   |   |                              |                   |                                       |                          |
| Change in fair value   | -   | -                                | 672  | -   | -   | -                            | 672               | -                                     | 672                      |
| Exchange differences on translation of foreign operations                  | -   | (12)                             | -  | -   | (3,101)                                   | -                            | (3,113)           | (8,561)                               | (11,674)                 |
| Adjustments relating to disposal of foreign subsidiaries                   | -   | -                                | -  | -   | (1,369)                                   | -                            | (1,369)           | (1,331)                               | (2,700)                  |
| Total comprehensive income/(loss) for the period                           | -   | (12)                             | 672  | -   | (4,470)                                   | 6,023                        | 2,213             | (9,305)                               | (7,092)                  |
| Change in non-controlling interests without change in control              | -   | -                                | -  | -   | -   | 556                          | 556               | (922)                                 | (366)                    |
| 2013/2014 final dividend declared to shareholders of the Company           | -   | -                                | -  | -   | -   | (68,902)                     | (68,902)          | -                                     | (68,902)                 |
| Dividend declared and paid to non-controlling shareholders of a subsidiary | -   | -                                | -  | -   | -   | -                            | -                 | (7,787)                               | (7,787)                  |
| At 30th September, 2014  | 1,705,907                                     | 1,506                            | (347)                                      | 27,039                                      | 214,100                                   | 2,127,342                    | 4,075,547         | 738,646                               | 4,814,193                |



# Condensed Consolidated Statement of Cash Flows

For the six months ended 30th September, 2015

|  | Note | Unaudited<br>six months ended 30th September, |                  |
|--|------|---|------------------|
|  |      | 2015<br>HK\$'000                              | 2014<br>HK\$'000 |
| Net cash flows used in operating activities                            |      | <b>(747,332)</b>                              | (54,364)         |
| Cash flows from investing activities                                   |      |   |                  |
| Payments to acquire available-for-sale financial assets                |      | <b>(117,421)</b>                              | (2,439)          |
| Disposal of subsidiaries, net of cash and cash equivalents disposed of | 16   | –   | 287,986          |
| Deposit received for disposal of subsidiaries                          |      | –   | 639,150          |
| Other cash flows arising from investing activities                     |      | <b>(26,047)</b>                               | (50,714)         |
| Net cash flows from/(used in) investing activities                     |      | <b>(143,468)</b>                              | 873,983          |
| Cash flows from financing activities                                   |      |   |                  |
| Drawdown of bank loans   |      | <b>226,950</b>                                | 496,497          |
| Repayment of bank loans  |      | <b>(323,439)</b>                              | (505,919)        |
| Other cash flows arising from financing activities                     |      | <b>(14,103)</b>                               | (19,611)         |
| Net cash flows used in financing activities                            |      | <b>(110,592)</b>                              | (29,033)         |
| Net increase/(decrease) in cash and cash equivalents                   |      | <b>(1,001,392)</b>                            | 790,586          |
| Cash and cash equivalents at beginning of period                       |      | <b>2,548,139</b>                              | 1,474,165        |
| Exchange realignments  |      | <b>(10,046)</b>                               | (3,493)          |
| Cash and cash equivalents at end of period                             |      | <b>1,536,701</b>                              | 2,261,258        |
| Analysis of balances of cash and cash equivalents:                     |      |   |                  |
| Cash and bank balances   |      | <b>1,536,701</b>                              | 2,261,258        |

# 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.

The financial information relating to the year ended 31st March, 2015 that is included in the interim financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31st March, 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

## 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<br><i>Annual Improvements 2010–2012 Cycle</i><br><i>Annual Improvements 2011–2013 Cycle</i> | <i>Defined Benefit Plans: Employee Contributions</i><br>Amendments to a number of HKFRSs<br>Amendments to a number of HKFRSs |
|---|--|

The adoption of the new and revised HKFRSs has had no significant financial effect on the interim financial statements.

## Notes to the Interim Financial Statements (*Continued*)

### 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 food businesses segment mainly includes distribution of consumer food and non-food products, food manufacturing and retailing, the management of restaurants and food court operations;
- (f) the mineral exploration and extraction segment includes mineral exploration, extraction and processing; and
- (g) the "other" segment comprises principally money lending and the provision of property management services.

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

## Notes to the Interim Financial Statements (Continued)

### 3. SEGMENT INFORMATION (Continued) Six months ended 30th September, 2015

|  | Property<br>investment<br>HK\$'000 | Property<br>development<br>HK\$'000 | Treasury<br>investment<br>HK\$'000 | Securities<br>investment<br>HK\$'000 | Food<br>businesses<br>HK\$'000 | Mineral<br>exploration<br>and<br>extraction<br>HK\$'000 | Other<br>HK\$'000 | Inter-<br>segment<br>elimination<br>HK\$'000 | Consolidated<br>HK\$'000 |
|--|------------------------------------|-------------------------------------|------------------------------------|--------------------------------------|--------------------------------|---|-------------------|--|--------------------------|
| <b>Revenue</b>   |                                    |                                     |                                    |                                      |                                |   |                   |  |                          |
| External   | 22,420                             | -                                   | 10,260                             | 12,595                               | 1,247,116                      | -   | 9,159             | -  | 1,301,550                |
| Inter-segment  | 2,987                              | -                                   | -                                  | -                                    | -                              | -   | -                 | (2,987)                                      | -                        |
| <b>Total</b>   | <b>25,407</b>                      | <b>-</b>                            | <b>10,260</b>                      | <b>12,595</b>                        | <b>1,247,116</b>               | <b>-</b>  | <b>9,159</b>      | <b>(2,987)</b>                               | <b>1,301,550</b>         |
| <b>Segment results</b>   | <b>26,150</b>                      | <b>(61,722)</b>                     | <b>10,260</b>                      | <b>(158,557)</b>                     | <b>(111,574)</b>               | <b>(7,445)</b>  | <b>1,540</b>      | <b>-</b>                                     | <b>(301,348)</b>         |
|  |                                    | (Note (a))                          |                                    | (Note (b))                           | (Note (c))                     |   |                   |  |                          |
| Unallocated corporate expenses   |                                    |                                     |                                    |                                      |                                |   |                   |  | (66,906)                 |
| Finance costs  |                                    |                                     |                                    |                                      |                                |   |                   |  | (9,713)                  |
| Share of results of associates   | -                                  | -                                   | -                                  | -                                    | -                              | (1,570)   | 495               | -  | (1,075)                  |
| Share of results of joint ventures   | -                                  | 14                                  | -                                  | -                                    | 2,615                          | -   | -                 | -  | 2,629                    |
| <b>Loss before tax</b>   |                                    |                                     |                                    |                                      |                                |   |                   |  | <b>(376,413)</b>         |
| <b>Other segment information:</b>  |                                    |                                     |                                    |                                      |                                |   |                   |  |                          |
| Capital expenditure (Note (d))   | 8                                  | -                                   | -                                  | -                                    | 28,608                         | 423   | -                 | -  | 29,039                   |
| Depreciation   | (2,957)                            | (216)                               | -                                  | -                                    | (39,577)                       | (59)  | (301)             | -  | (43,110)                 |
| Amortisation of intangible assets  | -                                  | -                                   | -                                  | -                                    | (7,940)                        | -   | -                 | -  | (7,940)                  |
| Interest income  | -                                  | -                                   | 10,260                             | 2,185                                | 108                            | -   | 337               | -  | 12,890                   |
| Finance costs  | -                                  | -                                   | -                                  | -                                    | (885)                          | -   | -                 | -  | (885)                    |
| Provisions for impairment losses on:   |                                    |                                     |                                    |                                      |                                |   |                   |  |                          |
| Intangible assets  | -                                  | -                                   | -                                  | -                                    | (113,434)                      | -   | -                 | -  | (113,434)                |
| An associate   | -                                  | -                                   | -                                  | -                                    | (1,548)                        | -   | -                 | -  | (1,548)                  |
| Properties under development   | -                                  | (60,428)                            | -                                  | -                                    | -                              | -   | -                 | -  | (60,428)                 |
| Inventories  | -                                  | -                                   | -                                  | -                                    | (9,772)                        | -   | -                 | -  | (9,772)                  |
| Bad and doubtful debts   | -                                  | -                                   | -                                  | -                                    | (664)                          | -   | -                 | -  | (664)                    |
| Fixed assets written off   | -                                  | -                                   | -                                  | -                                    | (11,117)                       | -   | -                 | -  | (11,117)                 |
| Net fair value loss on financial instruments at<br>fair value through profit or loss | -                                  | -                                   | -                                  | (162,276)                            | (2,309)                        | -   | -                 | -  | (164,585)                |
| Net fair value gain on investment properties   | 4,250                              | -                                   | -                                  | -                                    | -                              | -   | -                 | -  | 4,250                    |
| Unallocated:   |                                    |                                     |                                    |                                      |                                |   |                   |  |                          |
| Capital expenditure (Note (d))   |                                    |                                     |                                    |                                      |                                |   |                   |  | 4                        |
| Depreciation   |                                    |                                     |                                    |                                      |                                |   |                   |  | (851)                    |
| Finance costs  |                                    |                                     |                                    |                                      |                                |   |                   |  | (9,713)                  |

## Notes to the Interim Financial Statements (Continued)

### 3. SEGMENT INFORMATION (Continued)

Six months ended 30th September, 2014

|  | Property investment<br>HK\$'000 | Property development<br>HK\$'000 | Treasury investment<br>HK\$'000 | Securities investment<br>HK\$'000 | Food businesses<br>HK\$'000 | Mineral exploration and extraction<br>HK\$'000 | Other<br>HK\$'000 | Inter-segment elimination<br>HK\$'000 | Consolidated<br>HK\$'000 |
|--|---------------------------------|----------------------------------|---------------------------------|-----------------------------------|-----------------------------|--|-------------------|---------------------------------------|--------------------------|
| <b>Revenue</b>   |                                 |                                  |                                 |                                   |                             |  |                   |                                       |                          |
| External   | 27,543                          | 7,813                            | 10,883                          | 4,378                             | 1,330,230                   | -  | 7,002             | -                                     | 1,387,849                |
| Inter-segment  | 2,885                           | -                                | -                               | -                                 | -                           | -  | -                 | (2,885)                               | -                        |
| <b>Total</b>   | <b>30,428</b>                   | <b>7,813</b>                     | <b>10,883</b>                   | <b>4,378</b>                      | <b>1,330,230</b>            | <b>-</b>                                       | <b>7,002</b>      | <b>(2,885)</b>                        | <b>1,387,849</b>         |
| <b>Segment results</b>   | <b>43,556</b>                   | <b>(1,085)</b>                   | <b>10,883</b>                   | <b>12,181</b>                     | <b>15,708</b>               | <b>(5,643)</b>                                 | <b>1,023</b>      | <b>-</b>                              | <b>76,623</b>            |
|  |                                 | (Note (a))                       |                                 | (Note (b))                        | (Note (c))                  |  |                   |                                       |                          |
| Unallocated corporate expenses   |                                 |                                  |                                 |                                   |                             |  |                   |                                       | (42,261)                 |
| Finance costs  |                                 |                                  |                                 |                                   |                             |  |                   |                                       | (9,198)                  |
| Share of results of associates   | -                               | -                                | -                               | -                                 | (19)                        | -  | 1,343             | -                                     | 1,324                    |
| Share of results of joint ventures   | -                               | 6                                | -                               | -                                 | 2,304                       | -  | -                 | -                                     | 2,310                    |
| <b>Profit before tax</b>   |                                 |                                  |                                 |                                   |                             |  |                   |                                       | <b>28,798</b>            |
| <b>Other segment information:</b>  |                                 |                                  |                                 |                                   |                             |  |                   |                                       |                          |
| Capital expenditure (Note (d))   | 802                             | 120                              | -                               | -                                 | 50,215                      | 1,898  | 11                | -                                     | 53,046                   |
| Depreciation   | (661)                           | (352)                            | -                               | -                                 | (40,577)                    | (76)   | (136)             | -                                     | (41,802)                 |
| Amortisation of intangible assets  | -                               | -                                | -                               | -                                 | (8,672)                     | -  | -                 | -                                     | (8,672)                  |
| Interest income  | -                               | -                                | 10,883                          | -                                 | 62                          | -  | 92                | -                                     | 11,037                   |
| Finance costs  | -                               | -                                | -                               | -                                 | (1,140)                     | -  | -                 | -                                     | (1,140)                  |
| Gain/(Loss) on disposal of subsidiaries  | (375)                           | -                                | -                               | -                                 | 10,740                      | -  | 1,279             | -                                     | 11,644                   |
| Write-back of provision/(Provisions) for impairment losses on:                           |                                 |                                  |                                 |                                   |                             |  |                   |                                       |                          |
| Exploration and evaluation assets  | -                               | -                                | -                               | -                                 | -                           | (969)  | -                 | -                                     | (969)                    |
| Available-for-sale financial assets  | -                               | -                                | -                               | 863                               | -                           | -  | -                 | -                                     | 863                      |
| Inventories  | -                               | -                                | -                               | -                                 | (7,086)                     | -  | -                 | -                                     | (7,086)                  |
| Bad and doubtful debts   | -                               | -                                | -                               | -                                 | (1,072)                     | -  | -                 | -                                     | (1,072)                  |
| Net fair value gain/(loss) on financial instruments at fair value through profit or loss | -                               | -                                | -                               | 12,613                            | (688)                       | -  | -                 | -                                     | 11,925                   |
| Net fair value gain on investment properties   | 17,875                          | -                                | -                               | -                                 | -                           | -  | -                 | -                                     | 17,875                   |
| Unallocated:   |                                 |                                  |                                 |                                   |                             |  |                   |                                       |                          |
| Capital expenditure (Note (d))   |                                 |                                  |                                 |                                   |                             |  |                   |                                       | 245                      |
| Depreciation   |                                 |                                  |                                 |                                   |                             |  |                   |                                       | (1,029)                  |
| Finance costs  |                                 |                                  |                                 |                                   |                             |  |                   |                                       | (9,198)                  |

#### Note:

- The amount included provision for impairment losses on properties under development of HK\$60,428,000 (2014 — Nil).
- The amount included net fair value loss on financial instruments at fair value through profit or loss of HK\$162,276,000 (2014 — gain of HK\$12,613,000).
- The amount included provision for impairment losses on intangible assets of HK\$113,434,000 (2014 — Nil).
- Capital expenditure includes additions to fixed assets, investment properties, intangible assets and exploration and evaluation 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 sales of goods and food and beverage, fees charged to food court tenants, gross income from property management, and interest and other income from money lending and other businesses, after eliminations of all significant intra-group transactions.

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

|                                    | Six months ended 30th September, |                  |
|------------------------------------|----------------------------------|------------------|
|                                    | 2015<br>HK\$'000                 | 2014<br>HK\$'000 |
| Property investment                | 22,420                           | 27,543           |
| Property development               | –                                | 7,813            |
| Treasury investment                | 10,368                           | 10,945           |
| Securities investment              | 13,792                           | 5,041            |
| Sales of goods                     | 837,909                          | 897,052          |
| Sales of food and beverage         | 325,970                          | 354,960          |
| Fees charged to food court tenants | 69,927                           | 68,760           |
| Other                              | 21,164                           | 15,735           |
|                                    | <b>1,301,550</b>                 | 1,387,849        |

## 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<br>HK\$'000                 | 2014<br>HK\$'000 |
| Net fair value gain/(loss) on:   |                                  |                  |
| Financial assets at fair value through profit or loss:   |                                  |                  |
| Equity securities  | (77,279)                         | 13,480           |
| Debt securities  | (107)                            | –                |
| Investment funds   | (89,471)                         | (688)            |
|  | <b>(166,857)</b>                 | 12,792           |
| Financial liabilities at fair value through profit or loss designated as such upon initial recognition | 536                              | (867)            |
| Derivative financial instruments   | 1,736                            | –                |
|  | <b>(164,585)</b>                 | 11,925           |
| Interest income:   |                                  |                  |
| Financial assets at fair value through profit or loss  | 2,185                            | –                |
| Loans and advances   | 337                              | 92               |
| Other  | 10,368                           | 10,945           |
| Dividend income  | 11,607                           | 4,084            |
| Write-back of provision/(Provisions) for impairment losses on:   |                                  |                  |
| Exploration and evaluation assets  | –                                | (969)            |
| An associate   | (1,548)                          | –                |
| Available-for-sale financial assets  | –                                | 863              |
| Inventories  | (9,772)                          | (7,086)          |
| Bad and doubtful debts   | (664)                            | (1,072)          |
| Fixed assets written off   | (11,117)                         | –                |
| Depreciation   | (43,961)                         | (42,831)         |
| Amortisation of intangible assets  | (7,940)                          | (8,672)          |
| Foreign exchange gains/(losses) — net  | (35,172)                         | 1,173            |
| Cost of inventories sold:  |                                  |                  |
| Properties   | –                                | (5,541)          |
| Other  | (629,179)                        | (690,712)        |

### 6. PROVISION FOR IMPAIRMENT LOSSES ON INTANGIBLE ASSETS

The amount mainly represented the provisions for impairment losses on goodwill and trademark licence agreement relating to the food businesses segment as a result from the businesses and operations review exercise to rationalise and streamline its non-performing business and investments.

**7. PROVISION FOR IMPAIRMENT LOSSES ON PROPERTIES UNDER DEVELOPMENT**

In November 2015, the Group entered into a conditional agreement for the disposal of its entire interest in Bestbeat Limited (“Bestbeat”) for a consideration of approximately HK\$277,938,000 (the “Bestbeat Disposal”) which will be settled by the allotment and issue of 646,366,795 new shares in Gemdale Properties and Investment Corporation Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, at an issue price of HK\$0.43 per share (the “Consideration Shares”). 力寶置業(江蘇)有限公司 (Lippo Realty (Jiangsu) Limited), an indirect wholly-owned subsidiary of Bestbeat, has been granted the land use rights of a piece of land located in Huai’an City, Jiangsu Province, the People’s Republic of China with a site area of approximately 41,000 square metres. By reference to the value of the Consideration Shares, the Group recorded a provision for impairment loss on properties under development of HK\$60,428,000 during the six months ended 30th September, 2015 (2014 — Nil).

**8. INCOME TAX**

|   | Six months ended 30th September, |                  |
|---|----------------------------------|------------------|
|   | 2015<br>HK\$'000                 | 2014<br>HK\$'000 |
| Hong Kong:                                      |                                  |                  |
| Charge for the period                           | 2,123                            | 7,127            |
| Deferred  | (583)                            | (393)            |
|   | <b>1,540</b>                     | 6,734            |
| Overseas:                                       |                                  |                  |
| Charge for the period                           | 12,263                           | 15,822           |
| Underprovision/(Overprovision) in prior periods | 1,164                            | (3,849)          |
| Deferred  | (2,013)                          | 3,481            |
|   | <b>11,414</b>                    | 15,454           |
| Total charge for the period                     | <b>12,954</b>                    | 22,188           |

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.

**9. 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 9,186,913,000 ordinary shares (2014 — approximately 9,186,913,000 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.



**10. INTERIM DIVIDENDS**

|   | Six months ended 30th September, |                  |
|---|----------------------------------|------------------|
|   | 2015<br>HK\$'000                 | 2014<br>HK\$'000 |
| Interim dividend, declared, of HK0.2 cent<br>(2014 — HK0.2 cent) per ordinary share | 18,374                           | 18,374           |
| 2014 special interim dividend, declared, of HK0.4 cent per ordinary share           | –                                | 36,748           |
|   | <b>18,374</b>                    | 55,122           |

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

**11. 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,<br>2015<br>HK\$'000 | 31st March,<br>2015<br>HK\$'000 |
|-------------------------|-------------------------------------|---------------------------------|
|                         | Outstanding balances with ages:     |                                 |
| Within 30 days          | 178,939                             | 130,949                         |
| Between 31 and 60 days  | 91,903                              | 111,662                         |
| Between 61 and 90 days  | 63,410                              | 92,569                          |
| Between 91 and 180 days | 18,988                              | 26,312                          |
| Over 180 days           | 3,208                               | 715                             |
|                         | <b>356,448</b>                      | 362,207                         |

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

## 12. BANK AND OTHER BORROWINGS

|   | 30th September,<br>2015<br>HK\$'000 | 31st March,<br>2015<br>HK\$'000 |
|---|-------------------------------------|---------------------------------|
| Current portion:                            |                                     |                                 |
| Bank loans:                                 |                                     |                                 |
| Secured (Note (a))                          | 40,000                              | 263,787                         |
| Unsecured                                   | 16,075                              | 37,879                          |
| Obligations under finance leases (Note (b)) | 456                                 | 614                             |
|   | <b>56,531</b>                       | 302,280                         |
| Non-current portion:                        |                                     |                                 |
| Secured bank loans (Note (a))               | 515,000                             | 370,000                         |
| Obligations under finance leases (Note (b)) | 1,916                               | 2,220                           |
|   | <b>516,916</b>                      | 372,220                         |
|   | <b>573,447</b>                      | 674,500                         |
| Bank and other borrowings by currency:      |                                     |                                 |
| Hong Kong dollar                            | 555,000                             | 630,000                         |
| Renminbi                                    | –                                   | 3,787                           |
| Malaysian Ringgit                           | 13,020                              | 18,176                          |
| Singapore dollar                            | 5,427                               | 22,537                          |
|   | <b>573,447</b>                      | 674,500                         |
| Bank loans repayable:                       |                                     |                                 |
| Within one year                             | 56,075                              | 301,666                         |
| In the second year                          | 130,000                             | 40,000                          |
| In the third to fifth years, inclusive      | 385,000                             | 330,000                         |
|   | <b>571,075</b>                      | 671,666                         |
| Other borrowings repayable:                 |                                     |                                 |
| Within one year                             | 456                                 | 614                             |
| In the second year                          | 456                                 | 473                             |
| In the third to fifth years, inclusive      | 1,362                               | 1,415                           |
| After five years                            | 98                                  | 332                             |
|   | <b>2,372</b>                        | 2,834                           |

The Group's bank loans bear interest at floating rates ranging from 2.2 per cent. to 4.2 per cent. (31st March, 2015 — 2.2 per cent. to 7.1 per cent.) per annum.

## Notes to the Interim Financial Statements (Continued)

### 12. BANK AND OTHER BORROWINGS (Continued)

Note:

- (a) At the end of the reporting period, the bank loans were secured by:
- (i) first legal mortgages over certain investment properties and leasehold land and buildings of the Group with carrying amounts of HK\$985,000,000 (31st March, 2015 — HK\$979,750,000) and HK\$97,993,000 (31st March, 2015 — HK\$99,292,000), respectively; and
  - (ii) certain bank deposits of the Group with a carrying amount of HK\$1,775,000 (31st March, 2015 — HK\$2,102,000).

The bank loans as at 31st March, 2015 were also secured by first legal mortgages over certain properties under development of the Group with a carrying amount of HK\$235,439,000.

- (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. (31st March, 2015 — 2.5 per cent. to 3.8 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\$2,372,000 (31st March, 2015 — HK\$2,834,000).

### 13. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

Included in the balances are trade creditors with an aged analysis, based on the invoice date, as follows:

|                                 | <b>30th September,<br/>2015</b> | 31st March,<br>2015 |
|---------------------------------|---------------------------------|---------------------|
|                                 | <b>HK\$'000</b>                 | HK\$'000            |
| Outstanding balances with ages: |                                 |                     |
| Within 30 days                  | <b>151,671</b>                  | 174,597             |
| Between 31 and 60 days          | <b>22,761</b>                   | 22,739              |
| Between 61 and 90 days          | <b>3,566</b>                    | 1,741               |
| Between 91 and 180 days         | <b>3,504</b>                    | 11,838              |
| Over 180 days                   | <b>9,385</b>                    | 3,307               |
|                                 | <b>190,887</b>                  | 214,222             |

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

### 14. SHARE CAPITAL

|  | <b>30th September,<br/>2015</b> | 31st March,<br>2015 |
|--|---------------------------------|---------------------|
|  | <b>HK\$'000</b>                 | HK\$'000            |
| <b>Issued and fully paid:</b>                                    |                                 |                     |
| 9,186,912,716 (31st March, 2015 — 9,186,912,716) ordinary shares | <b>1,705,907</b>                | 1,705,907           |

## 15. SHARE OPTION SCHEMES

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

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

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

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

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

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

**15. SHARE OPTION SCHEMES (Continued)**

(b) *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 Resources Corp. (in receivership) ("Asia Now"), a 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 in February 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 ("TSXVE") 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, 2015, there were 350,000 outstanding options granted under the Terminated ANR Stock Option Plan (the "ANR Options") to subscribe for a total of 350,000 ANR Shares, which have an exercise price of \$0.30 Canadian dollar ("C\$") per share (subject to adjustment) and are subject to the Vesting Period. As at 1st April, 2015, all the above ANR Options were vested.

**15. SHARE OPTION SCHEMES** (Continued)(b) *Share Option Schemes of Asia Now Resources Corp. (Continued)***Terminated Incentive Stock Option Plan of Asia Now Resources Corp.** (Continued)

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

| Participants  | Date of grant       | Expiry date         | Exercise price<br>per share<br>(subject to<br>adjustment)<br>CS | Number of ANR Options   |
|---|---------------------|---------------------|---|---|
|   |                     |                     |   | Balance as at<br>1st April, 2015<br>and<br>30th September, 2015 |
| Eligible persons                                    | 17th February, 2011 | 17th February, 2016 | 0.30  | 350,000   |
| Weighted average exercise price per ANR Share (C\$) |                     |                     |   | 0.30  |

Following the termination of the option plan, no new option will be granted under the Terminated ANR Stock Option Plan. No option of Asia Now was granted, exercised, cancelled or lapsed under the Terminated ANR Stock Option Plan during the period.

**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, the Company and Lippo, 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.

**15. SHARE OPTION SCHEMES (Continued)**

(b) *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 TSXVE 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):

| <b>Closing Price</b> | <b>Discount</b> |
|----------------------|-----------------|
| 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 period.

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

Following the entering of the receivership, in September 2015, the listing of Asia Now was transferred from TSXVE to NEX, a separate board of TSXVE which provides a trading forum for listed companies in Canada that have fallen below TSXVE's ongoing financial listing standards. Shares of Asia Now have been suspended from trading.

## Notes to the Interim Financial Statements (Continued)

### 16. DISPOSAL OF SUBSIDIARIES

|   | Six months ended<br>30th September,<br>2014<br>HK\$'000 |
|---|---|
| Net assets disposed of:   |   |
| Fixed assets  | 272   |
| Investment properties   | 284,000   |
| Debtors, prepayments and deposits   | 293   |
| Cash and bank balances  | 733   |
| Creditors, accruals and deposits received                                       | (3,098)   |
| Tax payables  | (3)   |
| Deferred tax liabilities  | (1,524)   |
|   | <u>280,673</u>  |
| Release of cumulative exchange differences on translation of foreign operations | <u>(2,700)</u>  |
|   | 277,973   |
| Gain on disposal  | <u>11,644</u>   |
|   | <u>289,617</u>  |
| Satisfied by:   |   |
| Cash consideration received   | 288,719   |
| Other receivable  | 898   |
|   | <u>289,617</u>  |

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

|  | Six months ended<br>30th September,<br>2014<br>HK\$'000 |
|--|---|
| Cash consideration received  | 288,719   |
| Cash and bank balances disposed of   | <u>(733)</u>  |
| Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries | <u>287,986</u>  |



## Notes to the Interim Financial Statements (Continued)

### 17. CONTINGENT LIABILITIES

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

|   | <b>30th September,<br/>2015</b> | 31st March,<br>2015 |
|---|---------------------------------|---------------------|
|   | <b>HK\$'000</b>                 | <b>HK\$'000</b>     |
| Secured bankers' guarantee (Note (a))   | <b>30,229</b>                   | 35,490              |
| Unsecured bankers' guarantee (Note (b)) | <b>10,024</b>                   | 5,702               |
|   | <b>40,253</b>                   | 41,192              |

Note:

- (a) The Group had bankers' guarantees issued in lieu of rental and utility deposits for the premises used in the food businesses segment. As at 30th September, 2015, fixed deposits of approximately HK\$15,771,000 (31st March, 2015 — HK\$20,598,000) were pledged to banks as security for bankers' guarantees issued.
- (b) The Group had bankers' guarantees issued to suppliers in the ordinary course of business and in lieu of rental and utility deposits for the premises used in the food businesses segment.

### 18. COMMITMENTS

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

|   | <b>30th September,<br/>2015</b> | 31st March,<br>2015 |
|---|---------------------------------|---------------------|
|   | <b>HK\$'000</b>                 | <b>HK\$'000</b>     |
| Commitments in respect of properties, plant and equipment and properties under development: |                                 |                     |
| Contracted, but not provided for  | <b>121,114</b>                  | 131,445             |
| Other commitments:  |                                 |                     |
| Contracted, but not provided for (Note)   | <b>48,070</b>                   | 25,741              |
|   | <b>169,184</b>                  | 157,186             |

Note: The balance included the Group's commitments for available-for-sale financial assets of approximately HK\$40 million (31st March, 2015 — HK\$17 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 Group received rental income (including service charge) of HK\$3,264,000 (2014 — HK\$3,308,000) from Lippo. The rental was determined by reference to the then prevailing open market rentals.
- (b) During the period, the Group received rental income (including service charge) of HK\$1,442,000 (2014 — HK\$1,486,000) from Hongkong Chinese Limited (“HKC”), a fellow subsidiary of the Company. The rental was determined by reference to the then prevailing open market rentals.
- (c) During the period, the Group paid trading commission, brokerage service fees, collection fees and/or other incidental fees (the “Fees”) in the total amount of HK\$199,000 (2014 — HK\$173,000) to subsidiaries of HKC. The Fees were determined by reference to the prevailing fees offered to relevant market customers of comparable standing.
- (d) During the period, the Group paid rental expenses (including service charges) in the total amount of HK\$1,878,000 (2014 — HK\$4,280,000) to joint ventures of HKC. The rentals were determined by reference to the then prevailing open market rentals.
- (e) During the period, the Group sold food and beverage products of HK\$771,000 (2014 — HK\$750,000) to joint ventures of a fellow subsidiary. The sales were made on normal commercial terms in line with, and with reference to, the industry practice.
- (f) During the period, the Group generated sales of HK\$7,853,000 (2014 — HK\$8,096,000) 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.
- (g) During the period, the Group paid management fee of HK\$286,000 (2014 — HK\$275,000) to a subsidiary of Lippo for management of an exchange traded fund held by the Group. The management fee was calculated based on net asset value of that fund.
- (h) As at 30th September, 2015, the Group had amounts due from associates of HK\$31,738,000 (31st March, 2015 — HK\$35,106,000) and trade receivables due from a joint venture of HK\$3,115,000 (31st March, 2015 — HK\$4,699,000), respectively. The balances with the associates are unsecured, interest-free and have no fixed terms of repayment. The trade receivables due from the joint venture arose from sales made to that Company, and are unsecured, non-interest bearing and repayable within normal trade credit terms and are to be settled in cash.

## Notes to the Interim Financial Statements (Continued)

### 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,<br>2015<br>HK\$'000 | 31st March,<br>2015<br>HK\$'000 | 30th September,<br>2015<br>HK\$'000 | 31st March,<br>2015<br>HK\$'000 |
| <b>Financial assets</b>                                  |                                     |                                 |                                     |                                 |
| Available-for-sale financial assets                      | 33,576                              | 12,150                          | 33,576                              | 12,150                          |
| Financial assets at fair value<br>through profit or loss | 843,659                             | 314,467                         | 843,659                             | 314,467                         |
| Other financial asset                                    | 187                                 | 169                             | 187                                 | 169                             |
|  | <b>877,422</b>                      | <b>326,786</b>                  | <b>877,422</b>                      | <b>326,786</b>                  |
| <b>Financial liabilities</b>                             |                                     |                                 |                                     |                                 |
| Other financial liabilities                              | 7,141                               | 4,522                           | 7,141                               | 4,522                           |

Management has assessed that the fair values of cash and bank balances, restricted cash, financial assets included in debtors, prepayments and deposits, loans and advances, financial liabilities included in creditors, accruals and deposits received 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, debt securities, investment funds 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 and price of recent transactions. Where appropriate, a discount is applied to take into consideration of the non-marketable nature of the investments.

The fair value of forward currency contracts is based on broker quote using forward exchange rates that are quoted in an active market.

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

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

|                                     | <b>Valuation technique</b>  | <b>Significant unobservable input</b> | <b>Range</b>   | <b>Sensitivity of the input to fair value</b>  |
|-------------------------------------|-----------------------------|---------------------------------------|--|--|
| Available-for-sale investment funds | Discounted cash flow method | Discount rate                         | 12 per cent.<br>(31st March, 2015 –<br>12 per cent.) | Increase/(Decrease)<br>in discount rate<br>would result in<br>(decrease)/increase in<br>fair value |

Notes to the Interim Financial Statements (Continued)

20. 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                                   |  |  | Total<br>HK\$'000 |
|--|--|--|--|-------------------|
|  | Quoted prices<br>in active<br>markets<br>(Level 1)<br>HK\$'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>HK\$'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>HK\$'000 |                   |
| <b>At 30th September, 2015</b>   |  |  |  |                   |
| <b>Assets measured at fair value</b>   |  |  |  |                   |
| Available-for-sale financial assets:   |  |  |  |                   |
| Investment funds   | –  | –  | 33,576   | 33,576            |
| Financial assets at fair value through profit or loss:   |  |  |  |                   |
| Equity securities  | 313,666  | –  | –  | 313,666           |
| Debt securities  | 263,560  | –  | –  | 263,560           |
| Investment funds   | 261,880  | 4,553  | –  | 266,433           |
| Other financial asset:   |  |  |  |                   |
| Derivative financial instrument  | –  | 187  | –  | 187               |
|  | <b>839,106</b>   | <b>4,740</b>   | <b>33,576</b>  | <b>877,422</b>    |
| <b>Liabilities measured at fair value</b>  |  |  |  |                   |
| Other financial liabilities:   |  |  |  |                   |
| Financial liabilities at fair value through profit or loss designated as such upon initial recognition | –  | 3,986  | –  | 3,986             |
| Derivative financial instruments   | 1,454  | 1,701  | –  | 3,155             |
|  | <b>1,454</b>   | <b>5,687</b>   | <b>–</b>   | <b>7,141</b>      |
| <b>At 31st March, 2015</b>   |  |  |  |                   |
| <b>Assets measured at fair value</b>   |  |  |  |                   |
| Available-for-sale financial assets:   |  |  |  |                   |
| Investment funds   | –  | –  | 12,150   | 12,150            |
| Financial assets at fair value through profit or loss:   |  |  |  |                   |
| Equity securities  | 308,776  | –  | –  | 308,776           |
| Investment funds   | –  | 5,691  | –  | 5,691             |
| Other financial asset:   |  |  |  |                   |
| Derivative financial instrument  | –  | 169  | –  | 169               |
|  | <b>308,776</b>   | <b>5,860</b>   | <b>12,150</b>  | <b>326,786</b>    |
| <b>Liabilities measured at fair value</b>  |  |  |  |                   |
| Other financial liabilities:   |  |  |  |                   |
| Financial liabilities at fair value through profit or loss designated as such upon initial recognition | –  | 4,522  | –  | 4,522             |

**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:

|   | <b>Six months ended 30th September,</b> |                 |
|---|---|-----------------|
|   | <b>2015</b>                             | <b>2014</b>     |
|   | <b>HK\$'000</b>                         | <b>HK\$'000</b> |
| <b>Available-for-sale investment funds</b>                    |   |                 |
| Balance at beginning of period                                | <b>12,150</b>                           | 3,368           |
| Total gains/(losses) recognised in other comprehensive income | <b>(1,209)</b>                          | 672             |
| Purchases   | <b>22,635</b>                           | –               |
| Balance at end of period                                      | <b>33,576</b>                           | 4,040           |

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. EVENTS AFTER THE REPORTING PERIOD**

- (a) In August 2015, China Gold Pte. Ltd. ("China Gold"), a wholly-owned subsidiary of the Company and the immediate holding company of Asia Now, filed an application to the Ontario Superior Court of Justice (Commercial List), Canada (the "Court") for, among other things, an order to appoint Crowe Soberman Inc. ("Soberman") as the receiver over all of the assets, undertakings, and properties of Asia Now so as to enforce its security against Asia Now in relation to the secured debt owed by Asia Now to China Gold. The Court had subsequently approved Soberman as the court-approved receiver of Asia Now. Following the entering of the receivership, in September 2015, the listing of Asia Now was transferred from TSXVE to NEX, a separate board of TSXVE which provides a trading forum for listed companies in Canada that have fallen below TSXVE's ongoing financial listing standards. Shares of Asia Now have been suspended from trading. In October 2015, China Gold delivered a binding letter of intent to Soberman to acquire all the assets (tangible and intangible) of Asia Now, including without limitation, all the issued and outstanding shares of Asia Now Resources Limited, a wholly-owned subsidiary of Asia Now, for a consideration of approximately C\$1,100,000 (subject to adjustments), representing the outstanding amount of Asia Now's secured debt owed to China Gold (the "Proposed Transaction"). The Proposed Transaction is subject to the satisfaction of a number of conditions.
- (b) The Bestbeat Disposal, details of which were disclosed in Note 7 to the interim financial statements.

# 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. Global economic performance in the second half of 2015 is weaker than expected in the first half of 2015. The sharp stock market correction in the PRC and other Asian countries in the earlier months dampened investor confidence in the region. The economic growth of the PRC continued to slow down, with a gross domestic product growth rate of 6.9 per cent. in the third quarter of 2015, the slowest since the global financial crisis in 2009. The slowdown in the economy of the PRC added concerns about the global economic outlook.

### Results for the Period

The Company (together with its subsidiaries, the "Group") recorded a consolidated loss attributable to shareholders of approximately HK\$314 million for the six months ended 30th September, 2015 (the "Period"), as compared to a consolidated profit of approximately HK\$6 million for the six months ended 30th September, 2014 (the "Last Period" or "2014"). Such loss was mainly attributable to the net fair value loss on financial instruments at fair value through profit or loss and provisions for impairment losses on intangible assets and properties under development.

Revenue for the Period totalled HK\$1,302 million (2014 — HK\$1,388 million). Food businesses were the principal sources of revenue of the Group, representing 96 per cent. (2014 — 96 per cent.) of total revenue.

### **Food businesses**

The Group's food businesses are mainly managed and 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 Singapore Exchange Securities Trading Limited and the Group is interested in approximately 49.3 per cent. of its issued share capital.

The APG Group continued its businesses and operations review exercise to rationalise and streamline its non-performing business and investments with the objective of building sustainable growth in revenue and profits. This resulted in some exceptional items being undertaken during the Period. The segment recorded a loss of HK\$112 million for the Period (2014 — profit of HK\$16 million). The loss for the Period was mainly attributable to the impairment of intangible assets of HK\$113 million, the impairment of the carrying amounts in an associated company of HK\$2 million and the provision of costs attributable to the closure of non-performing retail outlets of HK\$17 million. Excluding these exceptional items, the APG Group achieved an operating profit of HK\$20 million for the Period, an improvement of profitability as compared to the Last Period. The segment recorded a revenue of HK\$1,247 million (2014 — HK\$1,330 million), mainly from wholesale and distribution of fast-moving consumer goods, manufacturing of bread and related products and the food retail operations in chains of bakeries, cafes and bistros.

The APG Group expects the operating environment in the food retail and distribution sectors to remain challenging. The implementation of Goods and Services Tax in Malaysia, where the APG Group has operations in, and the impact of a weaker Malaysia Ringgit as compared to other relevant currencies, have negatively impacted its results. The APG Group is therefore moving forward cautiously through further consolidation, streamlining of its operations, continuing to improve its profitability through more active marketing efforts and promotions, expanding sales channels and product offerings and controlling operating costs.

### **Property investment**

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

As a result of various disposals completed during the previous financial year, total segment revenue and segment profit for the Period decreased to HK\$25 million (2014 — HK\$30 million) and HK\$26 million (2014 — HK\$44 million), respectively.



### Property development

The Group primarily focuses on property development projects in mainland China. 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 property development projects.

In September 2015, the Group entered into a conditional agreement for the disposal of its entire equity interest in 福建大地湄洲工業區開發有限公司 (Fujian Tati Meizhou Industrial Park Development Co., Ltd.) (“Fujian Tati”) for a consideration of approximately RMB235.8 million (subject to adjustments). The Group also entered into an agreement to assign the debt due from Fujian Tati to the Group in the amount of RMB131.6 million (the “Debt”) to the buyer of Fujian Tati at a consideration equal to the amount of the Debt. Subject to certain conditions being fulfilled, the above transaction is expected to be completed in the second half of the financial year ending 31st March, 2016 and will give rise to a non-recurring gain attributable to the Group of approximately HK\$450 million (subject to adjustment and audit, and before expenses and taxes) upon completion. The principal assets of Fujian Tati are the property interests situated at Shanting Township, Xiuyu District, Putian City, Fujian Province, the PRC, mainly comprising of land use rights over a total site area of approximately 1,292,400 square metres. The above disposal is a good opportunity for the Group to realise its investments in Fujian Tati at a profit and furthermore, the above disposal will enable the Group to free up capital for its operations and investment purposes when such opportunities arise.

In November 2015, the Group entered into a conditional agreement for the disposal of its entire interest in Bestbeat Limited (“Bestbeat”) for a consideration of approximately HK\$277.9 million which will be settled by the allotment and issue of 646,366,795 new shares in Gemdale Properties and Investment Corporation Limited (“Gemdale”, together with its subsidiaries, the “Gemdale Group”) at an issue price of HK\$0.43 per share (the “Consideration Shares”). 力寶置業(江蘇)有限公司 (Lippo Realty (Jiangsu) Limited), a wholly-owned subsidiary of Bestbeat, has been granted the land use rights of a piece of land located in Huai’an City, Jiangsu Province, the PRC with a site area of approximately 41,000 square metres. By reference to the value of the Consideration Shares, the Group recorded a provision for impairment loss on properties under development of approximately HK\$60 million during the Period (2014 — Nil). As a result, the property development segment reported a loss of HK\$62 million (2014 — HK\$1 million) for the Period. The above disposal would provide a good chance for the Group to realise its direct investment in the property development project in Huai’an City of the PRC in return for some more liquid Consideration Shares. The investment in Consideration Shares would enable the Group to invest in a more diversified portfolio of property related investments through the Gemdale Group which includes property development projects and property leasing business in various cities of the PRC. Gemdale is a company listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Construction work planning for the development project located in China Medical City (中國醫藥城), Taizhou City, Jiangsu Province, the PRC (the "Taizhou Project") was completed. The Taizhou Project, with a site area of approximately 81,000 square metres and a total gross floor area of approximately 220,000 square metres, is a residential development comprising townhouses and residential apartments. In view of the poor market conditions in the region, the Group intends to slow down the development of the Taizhou Project.

### Treasury and securities investments

Following the disposal of various property interests, the Group has surplus cash on hand. In order to enhance yields on such surplus funds which are retained for the Group's business and for future investment opportunities, the Group has increased its short-term treasury and securities investments during the Period. Hence, revenue from treasury and securities investments segment increased to HK\$23 million during the Period (2014 — HK\$15 million), mainly attributable to the interest and dividend income received from the investment portfolio.

The Group managed its investment portfolio in accordance with the investment committee's terms of reference and looked for opportunities to enhance yields. However, due to the downturn of the global stock market in the third quarter of year 2015, the Group recorded net fair value loss on its investment portfolio. The net fair value loss of the securities investment segment included HK\$77 million loss on listed equity securities, HK\$0.1 million loss on bonds, HK\$87 million loss on investment funds and HK\$2 million gain on other financial instruments. As a result, the treasury and securities investments businesses recorded a segment loss of HK\$148 million for the Period (2014 — profit of HK\$23 million).

Details of the top 4 financial assets that made up the net fair value loss for the Period were as follows:

|   | Six months ended<br>30th September, 2015 |   | As at 30th September, 2015 |  | As at<br>31st March, 2015                      |            |
|---|--|---|----------------------------|--|--|------------|
|   | Net fair<br>value loss                   | Approximate<br>percentage of<br>net fair value<br>loss on<br>financial assets<br>at fair value<br>through<br>profit or loss | Fair value                 | Approximate<br>percentage of<br>financial assets<br>at fair value<br>through<br>profit or loss | Approximate<br>percentage to<br>the net assets | Fair value |
|   | HK\$'000                                 |   | HK\$'000                   |  |  | HK\$'000   |
| GSH Corporation Limited ("GSH")                     | (46,050)                                 | 28%   | 116,055                    | 14%  | 3%   | 162,106    |
| iShares MSCI Emerging Market ETF ("EEM US")         | (20,179)                                 | 12%   | 1,524                      | 0%   | 0%   | -          |
| iShares MSCI World UCITS ETF ("IWDA LN")            | (17,441)                                 | 10%   | 14,897                     | 2%   | 0%   | -          |
| iShares MSCI Emerging Markets UCITS ETF ("IEEM LN") | (16,726)                                 | 10%   | 18,598                     | 2%   | 0%   | -          |
| Others (Note)                                       | (66,461)                                 | 40%   | 692,585                    | 82%  | 16%  | 152,361    |
|   | (166,857)                                | 100%  | 843,659                    | 100%   | 19%  | 314,467    |

Note: Others comprised of more than 100 securities, none of which accounted for more than 10 per cent. of the net fair value loss for the Period.

## Business Review and Prospects (*Continued*)

The shares of GSH are listed in Singapore. GSH is a property developer in Southeast Asia with certain properties under development in Kuala Lumpur and Kota Kinabalu, Malaysia. GSH also owns the Sutera Harbour Resort in Kota Kinabalu and GSH Plaza in Singapore. This investment was made for asset diversification purpose. The share price performance of GSH was not satisfactory during the Period. Given the volatility in the stock and property markets, it is expected the share price of GSH may remain low until the property market recovers.

EEM US is listed in New York and IEEM LN is listed in London, both of which track on index composed of companies from emerging markets. As reported by the Group's investment advisor, sentiment around emerging market equities took a further downturn when the PRC announced a small but sudden Renminbi depreciation and this unexpected development fed investors' worst fears that the PRC might devalue her currency as a means of speeding up economic growth and hence returns from EEM US and IEEM LN during the Period was not satisfactory. Currently, the performance of emerging market equities is heavily influenced by the US dollar, its impact on commodities, and prospects for the PRC's macro outlook. Industrial production remains weak while the PRC works off its excesses. Also, the narrowing China trade surplus offers less cushion against capital outflow. Thus, the risk of a sharp Renminbi depreciation may well keep investors on the side-line for now. Unless there is a turnaround in these fundamentals, emerging market equities will likely remain challenged.

IWDA LN is a listed ETF in London that represents the developed market equity portfolio benchmark. As reported by the Group's investment advisor, the loss during the Period was due to the negative sentiment surrounding emerging markets and the PRC spilled over in the midst of lacklustre corporate earnings and general investor caution ahead of the Federal Open Market Committee meeting. At the current level, US equities are no longer cheap. Historically, multiple contraction is expected after the first Fed rate hike. Earnings also look challenged with multiple headwinds — weaker global demand, higher financing cost and higher wages. Liquidity can support the market for only that long until multiple expansion runs its course, or unless the fundamentals see a turnaround.

In view of the uncertain prospects of EEM US, IWDA LN and IEEM LN, the Group had divested a substantial part of these investments as of 30th September, 2015.

Given the importance of technology on the global economy and the prospects for such sector, the Group has made a number of small investments in technology and technology related companies and private investment funds which invest in such sector.

### **Mineral exploration and extraction**

Asia Now Resources Corp. (“Asia Now”), in which the 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. In June 2015, the special resolution for approving the arrangement agreement in respect of the proposed acquisition of all of the issued and outstanding common shares of Asia Now not already owned by China Gold Pte. Ltd. (“China Gold”), a wholly-owned subsidiary of the Company, did not receive the requisite shareholder approval. During the Period, China Gold provided a secured loan to Asia Now of approximately C\$1.1 million. In August 2015, China Gold filed an application to the Ontario Superior Court of Justice (Commercial List), Canada (the “Court”) for, among other things, an order to appoint Crowe Soberman Inc. (“Soberman”) as the receiver over all of the assets, undertakings, and properties of Asia Now so as to enforce its security against Asia Now. The Court had subsequently approved Soberman as the court-approved receiver of Asia Now. Following the entering of the receivership, in September 2015, the listing of Asia Now was transferred from TSX Venture Exchange of Canada (“TSXVE”) to NEX, a separate board of TSXVE which provides a trading forum for listed companies in Canada that have fallen below TSXVE’s ongoing financial listing standards. Shares of Asia Now have been suspended from trading. In October 2015, China Gold delivered a binding letter of intent to Soberman to acquire all the assets (tangible and intangible) of Asia Now, including without limitation, all the issued and outstanding shares of Asia Now Resources Limited, a wholly-owned subsidiary of Asia Now, for a consideration of approximately C\$1.1 million (subject to adjustments), representing the outstanding amount of Asia Now’s secured debt owed to China Gold (the “Proposed Transaction”). The Proposed Transaction is subject to the satisfaction of a number of conditions.

During the Period, the Group subscribed for additional Class A units in Skye Mineral Partners, LLC (“Skye”) at a total consideration of approximately US\$5.5 million for Skye’s working capital. Through CS Mining, LLC (“CS Mining”), its majority owned subsidiary, Skye owns and controls a number of copper ore deposits located in the Milford Mineral Belt in Beaver County, State of Utah in the U.S., and is engaged in the business of mining and processing primarily copper, with additional recoveries of silver, gold and iron ore. CS Mining is currently in commercial operation.

### **Financial Position**

The Group’s financial position remained healthy. As at 30th September, 2015, its total assets amounted to HK\$5.8 billion (31st March, 2015 — HK\$6.5 billion). Property-related assets remained at HK\$2.0 billion as at 30th September, 2015 (31st March, 2015 — HK\$2.0 billion), representing 34 per cent. (31st March, 2015 — 31 per cent.) of the total assets. As a result of the investments in various financial instruments, total cash and bank balances as at 30th September, 2015 decreased to HK\$1.5 billion (31st March, 2015 — HK\$2.5 billion). Total liabilities amounted to HK\$1.5 billion (31st March, 2015 — HK\$1.6 billion). The Group maintained a strong cash position. Current ratio as at the end of the reporting period increased to 3.9 (31st March, 2015 — 3.7).

As at 30th September, 2015, bank and other borrowings of the Group decreased to HK\$573 million (31st March, 2015 — HK\$675 million), resulting from the repayment of bank loans using the surplus funds received from sale of properties. Bank loans amounted to HK\$571 million as at 30th September, 2015 (31st March, 2015 — HK\$672 million), which comprised secured bank loans of HK\$555 million and unsecured bank loans of HK\$16 million (31st March, 2015 — secured bank loans of HK\$634 million and unsecured bank loans of HK\$38 million) and were denominated in Hong Kong dollars, Malaysia Ringgit and Singapore dollars. The bank loans were secured by certain properties 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\$2 million as at 30th September, 2015 (31st March, 2015 — HK\$3 million). These obligations are secured by the rights to the leased fixed assets. As at 30th September, 2015, approximately 10 per cent. (31st March, 2015 — 45 per cent.) of the bank and other borrowings were repayable within one year. As at 30th September, 2015, the gearing ratio (measured as total borrowings, net of non-controlling interests, to shareholders' funds) was 14.6 per cent. (31st March, 2015 — 15.1 per cent.).

The net asset value attributable to equity holders of the Group remained robust and amounted to HK\$3.8 billion as at 30th September, 2015 (31st March, 2015 — HK\$4.3 billion). This was equivalent to HK42 cents per share (31st March, 2015 — HK47 cents 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.

The Group had bankers' guarantees of approximately HK\$40 million as at 30th September, 2015 (31st March, 2015 — HK\$41 million) issued in lieu of rental and utility deposits for the premises used for operation of food businesses. Approximately 75 per cent. (31st March, 2015 — 86 per cent.) of the bankers' guarantees were secured by certain bank deposits of the Group. Aside from the abovementioned, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Period (31st March, 2015 — Nil).

As at 30th September, 2015, the Group's commitment amounted to HK\$169 million (31st March, 2015 — HK\$157 million), mainly related to the property development projects and securities investments of the Group. The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

### **Staff and Remuneration**

The Group had 2,485 employees as at 30th September, 2015 (2014 — 3,279 employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss during the Period amounted to HK\$240 million (2014 — HK\$258 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 outlook of the global economy is clouded with considerable uncertainty. Global economic growth is expected to remain modest and uneven. Low commodity prices, appreciation of the US dollars and the expected normalisation of US interest rates have increased the downside risk in emerging countries and asset markets.

The Group will continue to be watchful of market developments and will manage its businesses and investment portfolio with a view to further improving its businesses and overall asset quality. Management will continue to take a cautious and prudent approach in managing the Group's assets and assessing new investment opportunities to capture the growth opportunities and enhance shareholders' value.



## Additional Information

### **Interim Dividend**

The Directors have resolved to declare the payment of an interim dividend of HK0.2 cent per share (For the six months ended 30th September, 2014 — an interim dividend of HK0.2 cent per share and a special interim dividend of HK0.4 cent per share) amounting to approximately HK\$18.4 million for the six months ended 30th September, 2015 (For the six months ended 30th September, 2014 — approximately HK\$55.1 million (including special interim dividend)), which will be paid on or about Thursday, 28th January, 2016 to shareholders whose names appear on the 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 share will be registered. In order to qualify for the interim dividend 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 the Company's Registrar, Tricor Tengis Limited, 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 |
|---|---|---------------------------------------|---|-----------------|--|
| <b>Number of ordinary shares in the Company</b>                                       |   |                                       |   |                 |  |
| Stephen Riady   | –   | –                                     | 6,544,696,389<br><i>Notes (i) and (ii)</i>  | 6,544,696,389   | 71.24  |
| James Siu Lung Lee  | 2,000   | –                                     | –   | 2,000           | 0.00   |
| <b>Number of ordinary shares in Lippo Limited ("Lippo")</b>                           |   |                                       |   |                 |  |
| Stephen Riady   | –   | –                                     | 327,008,219<br><i>Note (i)</i>              | 327,008,219     | 66.31  |
| John Luen Wai Lee   | 1,031,250                                     | –                                     | –   | 1,031,250       | 0.21   |
| <b>Number of ordinary shares of HK\$1.00 each in Hongkong Chinese Limited ("HKC")</b> |   |                                       |   |                 |  |
| Stephen Riady   | –   | –                                     | 1,315,707,842<br><i>Notes (i) and (iii)</i> | 1,315,707,842   | 65.84  |
| John Luen Wai Lee   | 2,000,270                                     | 270                                   | –   | 2,000,540       | 0.10   |
| King Fai Tsui   | 600,000                                       | 75,000                                | –   | 675,000         | 0.03   |
| James Siu Lung Lee  | 2,000   | –                                     | –   | 2,000           | 0.00   |



## 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, 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. 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 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, the Company.
- (iii) As at 30th September, 2015, Lippo 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.

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   |
| First Tower Corporation             | Ordinary shares            | 1                           | 100   |
| Grand Peak Investment Limited       | Ordinary shares            | 2                           | 100   |
| Great Honor Investments Limited     | Ordinary shares            | 1                           | 100   |

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

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

| Name of associated corporation                  | Class of shares            | Number of shares interested | Approximate percentage of interest in the issued shares |
|---|----------------------------|-----------------------------|---|
| 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  |
| 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 included, inter alia, Dr. Stephen Riady and other members of the family.

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).

## **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)**

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).

### **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 (the "Stock Exchange"):

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

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

### **Share Option Schemes**

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

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

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

## 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 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

| <b>Name</b>                             | <b>Number of ordinary shares</b> | <b>Approximate percentage of the issued shares</b> |
|---|----------------------------------|--|
| Lippo Limited ("Lippo")                 | 6,544,696,389                    | 71.24  |
| Lippo Capital Limited ("Lippo Capital") | 6,544,696,389                    | 71.24  |
| Lanius Limited ("Lanius")               | 6,544,696,389                    | 71.24  |
| Dr. Mochtar Riady                       | 6,544,696,389                    | 71.24  |
| Madam Lidya Suryawaty                   | 6,544,696,389                    | 71.24  |

Note:

1. 6,544,696,389 ordinary shares of the Company were held by Skyscraper Realty Limited directly as beneficial owner which in turn is a wholly-owned subsidiary of First Tower Corporation ("First Tower"). First Tower is a wholly-owned subsidiary of Lippo. Lippo Capital, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in ordinary shares representing approximately 66.31 per cent. of the issued shares of Lippo.
2. Lanius is the holder of the entire issued shares of Lippo Capital and is the trustee of a discretionary trust which was founded by Dr. Mochtar Riady, who does not have any interest in the issued shares of Lanius. Dr. Mochtar Riady and his wife Madam Lidya Suryawaty were taken to be interested in the shares of the Company under the provisions of the SFO.
3. Lippo's interests in the ordinary shares of the Company were recorded as the interests of Lippo Capital, Lanius, Dr. Mochtar Riady and Madam Lidya Suryawaty. The above 6,544,696,389 ordinary shares in the Company related to the same block of shares that Dr. Stephen Riady was interested, details of which are disclosed in the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations".

All the interests stated above represent long positions. Save as disclosed herein, as at 30th September, 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.

## **Audit Committee**

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

## **Corporate Governance**

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

To the best knowledge and belief of the Directors, the Directors consider 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  
**Lippo China Resources Limited**  
**John Luen Wai Lee**  
*Chief Executive Officer*

Hong Kong, 26th November, 2015

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

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

### Non-executive Director

Mr. Leon Nim Leung Chan

### Independent non-executive Directors

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

## COMMITTEES

### Audit Committee

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

### Remuneration Committee

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

### Nomination Committee

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

## SECRETARY

Ms. Millie Yuen Fun Luk

## AUDITORS

Ernst & Young

## PRINCIPAL BANKERS

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

## SOLICITORS

Howse Williams Bowers

## REGISTRAR

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

## REGISTERED OFFICE

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23rd Floor  
Tower One  
Lippo Centre  
89 Queensway  
Hong Kong

## STOCK CODE

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## WEBSITE

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