



Lippo China Resources Limited

力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code:156)

2016
INTERIM REPORT

Contents

	Page
Condensed Consolidated Statement of Profit or Loss	2
Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Interim Financial Statements	8
Business Review and Prospects	28
Additional Information	35
Corporate Information	42

The Directors of Lippo China Resources Limited (the "Company") are pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30th September, 2016.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30th September, 2016

		Unaudited	
		six months ended 30th September,	
	<i>Note</i>	2016	2015
		HK\$'000	HK\$'000
Revenue	4	1,278,534	1,301,550
Cost of sales		(686,455)	(701,292)
Gross profit		592,079	600,258
Administrative expenses		(361,790)	(394,466)
Other operating expenses		(196,701)	(238,964)
Gain on disposal of subsidiaries	17	333,966	–
Net fair value gain on investment properties		13,600	4,250
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	5	60,905	(164,585)
Provision for impairment losses on properties under development	6	(100,000)	(60,428)
Provision for impairment losses on intangible assets	7	–	(113,434)
Finance costs		(6,940)	(10,598)
Share of results of associates		(508)	(1,075)
Share of results of joint ventures		1,628	2,629
Profit/(Loss) before tax	5	336,239	(376,413)
Income tax	8	(16,758)	(12,954)
Profit/(Loss) for the period		319,481	(389,367)
Attributable to:			
Equity holders of the Company		285,521	(313,668)
Non-controlling interests		33,960	(75,699)
		319,481	(389,367)
		HK cents	HK cents
Earnings/(Loss) per share attributable to equity holders of the Company	9		
Basic and diluted		3.11	(3.41)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30th September, 2016

	Note	Unaudited	
		six months ended 30th September, 2016 HK\$'000	2015 HK\$'000
Profit/(Loss) for the period		319,481	(389,367)
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Available-for-sale financial assets:			
Changes in fair value		11,108	(1,209)
Share of exchange differences on translation of a foreign associate		(295)	2,567
Exchange differences on translation of foreign operations		(35,852)	(96,791)
Adjustments relating to disposal of a foreign subsidiary	17	(1,568)	–
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods and other comprehensive loss for the period, net of tax		(26,607)	(95,433)
Total comprehensive income/(loss) for the period		292,874	(484,800)
Attributable to:			
Equity holders of the Company		271,834	(364,777)
Non-controlling interests		21,040	(120,023)
		292,874	(484,800)

Condensed Consolidated Statement of Financial Position

As at 30th September, 2016

	Note	30th September, 2016 HK\$'000 (Unaudited)	31st March, 2016 HK\$'000 (Audited)
Non-current assets			
Intangible assets		202,215	208,721
Exploration and evaluation assets		1,350	1,017
Fixed assets		212,063	246,061
Investment properties		1,260,922	1,253,292
Interests in associates		16,898	17,839
Interests in joint ventures		12,564	17,204
Available-for-sale financial assets		181,408	173,252
Loans and advances		3,787	3,679
Debtors, prepayments and deposits	11	40,507	46,582
Deferred tax assets		7,538	8,028
		1,939,252	1,975,675
Current assets			
Properties held for sale		4,426	4,426
Properties under development		124,745	231,450
Inventories		210,895	248,774
Loans and advances		68,255	68,350
Debtors, prepayments and deposits	11	440,882	477,941
Financial assets at fair value through profit or loss		716,175	713,528
Other financial assets		2,147	18
Tax recoverable		2,953	5,127
Restricted cash		15,649	18,576
Cash and bank balances		2,255,043	1,921,905
		3,841,170	3,690,095
Assets classified as held for sale	12	–	39,543
		3,841,170	3,729,638
Current liabilities			
Bank and other borrowings	13	130,477	57,095
Creditors, accruals and deposits received	14	605,070	561,303
Other financial liabilities		1,566	4,168
Tax payable		212,850	211,533
		949,963	834,099
Liabilities directly associated with assets classified as held for sale	12	–	1,414
		949,963	835,513
Net current assets		2,891,207	2,894,125
Total assets less current liabilities		4,830,459	4,869,800

Condensed Consolidated Statement of Financial Position (Continued)
As at 30th September, 2016

	Note	30th September, 2016 HK\$'000 (Unaudited)	31st March, 2016 HK\$'000 (Audited)
Non-current liabilities			
Bank and other borrowings	13	256,529	511,826
Creditors, accruals and deposits received	14	23,619	25,711
Deferred tax liabilities		38,335	44,259
		318,483	581,796
Net assets		4,511,976	4,288,004
Equity			
Equity attributable to equity holders of the Company			
Share capital	15	1,705,907	1,705,907
Reserves		2,318,640	2,115,708
		4,024,547	3,821,615
Non-controlling interests		487,429	466,389
		4,511,976	4,288,004

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September, 2016

	Unaudited							
	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital	Share option reserve	Investment revaluation reserve	Exchange equalisation reserve	Retained profits	Total		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1st April, 2016	1,705,907	1,294	(952)	53,242	2,062,124	3,821,615	466,389	4,288,004
Profit for the period	-	-	-	-	285,521	285,521	33,960	319,481
Other comprehensive income/(loss) for the period:								
Available-for-sale financial assets:								
Changes in fair value	-	-	11,108	-	-	11,108	-	11,108
Share of exchange differences on translation of a foreign associate	-	-	-	(295)	-	(295)	-	(295)
Exchange differences on translation of foreign operations	-	-	-	(22,932)	-	(22,932)	(12,920)	(35,852)
Adjustments relating to disposal of a foreign subsidiary	-	-	-	(1,568)	-	(1,568)	-	(1,568)
Total comprehensive income/(loss) for the period	-	-	11,108	(24,795)	285,521	271,834	21,040	292,874
Transfer of share option reserve upon disposal of a subsidiary	-	(1,294)	-	-	1,294	-	-	-
2015/2016 final dividend declared to shareholders of the Company	-	-	-	-	(68,902)	(68,902)	-	(68,902)
At 30th September, 2016	1,705,907	-	10,156	28,447	2,280,037	4,024,547	487,429	4,511,976
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)
At 30th September, 2015	1,705,907	1,250	(781)	53,635	2,082,234	3,842,245	476,263	4,318,508

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th September, 2016

		Unaudited	
		six months ended 30th September,	
		2016	2015
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash flows from/(used in) operating activities		174,989	(747,332)
Cash flows from investing activities			
Payments to acquire available-for-sale financial assets		(2,520)	(117,421)
Disposal of subsidiaries, net of cash and cash equivalents disposed of	17	369,704	–
Increase in time deposits with original maturity of more than three months		(46,459)	–
Other cash flows arising from investing activities		(14,389)	(26,047)
Net cash flows from/(used in) investing activities		306,336	(143,468)
Cash flows from financing activities			
Drawdown of bank loans		3,098	226,950
Repayment of bank loans		(184,550)	(323,439)
Other cash flows arising from financing activities		(4,337)	(14,103)
Net cash flows used in financing activities		(185,789)	(110,592)
Net increase/(decrease) in cash and cash equivalents		295,536	(1,001,392)
Cash and cash equivalents at beginning of period		1,921,905	2,548,139
Exchange realignments		(8,857)	(10,046)
Cash and cash equivalents at end of period		2,208,584	1,536,701
Analysis of balances of cash and cash equivalents:			
Cash and bank balances		2,255,043	1,536,701
Time deposits with original maturity of more than three months		(46,459)	–
		2,208,584	1,536,701

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 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, 2016.

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, 2016, except for the adoption of the revised Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations (hereinafter collectively referred to as the “revised HKFRSs”) as disclosed in Note 2 to the interim financial statements.

The financial information relating to the year ended 31st March, 2016 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, 2016 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 revised HKFRSs for the first time for the current period’s financial statements:

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i>
<i>Annual Improvements 2012-2014 Cycle</i>	Amendments to a number of HKFRSs

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

The Group has not adopted any new and revised HKFRSs that have been issued but are not yet effective for the year ending 31st March, 2017.

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 investments relating to 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 the Group's 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) and comprises segment results of the Company and its subsidiaries, the Group's share of results of associates and joint ventures.

Segment results are measured consistently with the Group's profit/(loss) before tax except that the Group's share of results of associates and joint ventures, unallocated corporate expenses and certain 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, 2016

	Property investment	Property development	Treasury investment	Securities investment	Food businesses	Mineral exploration and extraction	Other	Inter-segment elimination	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue									
External	19,942	-	2,762	9,023	1,238,625	-	8,182	-	1,278,534
Inter-segment	2,988	-	-	-	-	-	-	(2,988)	-
Total	22,930	-	2,762	9,023	1,238,625	-	8,182	(2,988)	1,278,534
Segment results	359,561	(102,831)	2,762	62,004	63,593	(10,957)	5,813	-	379,945
	(Note (a))	(Note (b))							
Unallocated corporate expenses									(38,052)
Finance costs									(6,774)
Share of results of associates	-	-	-	-	-	(801)	293	-	(508)
Share of results of joint ventures	-	(4)	-	-	1,632	-	-	-	1,628
Profit before tax									336,239
Other segment information:									
Capital expenditure (Note (d))	309	-	-	-	12,696	346	4	-	13,355
Depreciation	(2,988)	(37)	-	-	(30,781)	(50)	(208)	-	(34,064)
Amortisation of intangible assets	-	-	-	-	(3,940)	-	-	-	(3,940)
Interest income	-	-	2,762	2,241	1,271	-	402	-	6,676
Finance costs	-	-	-	-	(166)	-	-	-	(166)
Gain on disposal of subsidiaries	332,398	-	-	-	-	1,568	-	-	333,966
Provisions for impairment losses on:									
Fixed assets	-	-	-	-	(10,153)	-	-	-	(10,153)
Available-for-sale financial assets	-	-	-	-	(5,354)	-	-	-	(5,354)
Properties under development	-	(100,000)	-	-	-	-	-	-	(100,000)
Inventories	-	-	-	-	(18,182)	-	-	-	(18,182)
Loans and receivables	-	-	-	-	(2,823)	-	-	-	(2,823)
Fixed assets written off	-	-	-	-	(727)	-	-	-	(727)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	-	-	-	61,253	(348)	-	-	-	60,905
Net fair value gain on investment properties	13,600	-	-	-	-	-	-	-	13,600
Unallocated:									
Capital expenditure (Note (d))									2,522
Depreciation									(292)
Finance costs									(6,774)

Notes to the Interim Financial Statements (Continued)

3. SEGMENT INFORMATION (Continued)

Six months ended 30th September, 2015

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Food businesses HK\$'000	Mineral exploration and extraction HK\$'000	Other HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
Revenue									
External	22,420	–	10,260	12,595	1,247,116	–	9,159	–	1,301,550
Inter-segment	2,987	–	–	–	–	–	–	(2,987)	–
Total	25,407	–	10,260	12,595	1,247,116	–	9,159	(2,987)	1,301,550
Segment results	26,150	(61,722)	10,260	(158,557)	(111,574)	(7,445)	1,540	–	(301,348)
	(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
Loss before tax									(376,413)
Other segment information:									
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)
Loans and receivables	–	–	–	–	(664)	–	–	–	(664)
Fixed assets written off	–	–	–	–	(11,117)	–	–	–	(11,117)
Net fair value loss on financial instruments at 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)

Note:

- The amount included gain on disposal of a subsidiary of HK\$332,398,000 (2015 — Nil).
- The amount included provision for impairment losses on properties under development of HK\$100,000,000 (2015 — HK\$60,428,000).
- The amount for the six months ended 30th September, 2015 included provision for impairment losses on intangible assets of HK\$113,434,000.
- Capital expenditure includes additions to fixed assets, investment properties and exploration and evaluation assets.

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 is as follows:

	Six months ended 30th September,	
	2016	2015
	HK\$'000	HK\$'000
Property rental income	19,942	22,420
Interest income	6,676	12,890
Dividend income	7,166	11,607
Sales of goods	884,910	837,909
Sales of food and beverage	271,694	325,970
Fees charged to food court tenants	70,499	69,927
Other	17,647	20,827
	1,278,534	1,301,550

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,	
	2016 HK\$'000	2015 HK\$'000
Net fair value gain/(loss) on:		
Financial assets at fair value through profit or loss:		
Equity securities	50,709	(77,279)
Debt securities	195	(107)
Investment funds	10,895	(89,471)
	61,799	(166,857)
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	(321)	536
Derivative financial instruments	(573)	1,736
	60,905	(164,585)
Interest income:		
Financial assets at fair value through profit or loss	1,363	2,185
Available-for-sale financial assets	878	–
Loans and advances	402	337
Other	4,033	10,368
Provisions for impairment losses on:		
Fixed assets	(10,153)	–
An associate	–	(1,548)
Available-for-sale financial assets	(5,354)	–
Inventories	(18,182)	(9,772)
Loans and receivables	(2,823)	(664)
Fixed assets written off	(727)	(11,117)
Depreciation	(34,356)	(43,961)
Amortisation of intangible assets	(3,940)	(7,940)
Foreign exchange losses — net	(439)	(35,172)
Cost of inventories sold	(619,770)	(629,179)

6. PROVISION FOR IMPAIRMENT LOSSES ON PROPERTIES UNDER DEVELOPMENT

The Group has interests in a property development project in Taizhou City, Jiangsu Province, mainland China (the "Taizhou Project"). In view of the poor market conditions in the region, the Group intends to slow down the development of the Taizhou Project and a provision for impairment loss on properties under development of HK\$100,000,000 was charged to the consolidated statement of profit or loss for the six months ended 30th September, 2016 with reference to the recoverable amount of such properties under development.

Provision for impairment loss of HK\$60,428,000 for the six months ended 30th September, 2015 was related to a property development project in Huai'an City, mainland China, which was sold in the second half of the last financial year.

7. PROVISION FOR IMPAIRMENT LOSSES ON INTANGIBLE ASSETS

The provision for the six months ended 30th September, 2015 mainly represented the provision 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.

8. INCOME TAX

	Six months ended 30th September,	
	2016 HK\$'000	2015 HK\$'000
Hong Kong:		
Charge for the period	3,320	2,123
Underprovision in prior periods	75	–
Deferred	(2,194)	(583)
	1,201	1,540
Overseas:		
Charge for the period	16,414	12,263
Underprovision in prior periods	1,044	1,164
Deferred	(1,901)	(2,013)
	15,557	11,414
Total charge for the period	16,758	12,954

Hong Kong profits tax has been provided at the rate of 16.5 per cent. (2015 — 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 (2015 — 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, 2016 and 2015.

10. INTERIM DIVIDEND

	Six months ended 30th September,	
	2016	2015
	HK\$'000	HK\$'000
Interim dividend, declared, of HK0.2 cent (2015 — HK0.2 cent) per ordinary share	18,374	18,374

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, 2016	31st March, 2016
	HK\$'000	HK\$'000
Outstanding balances with ages:		
Within 30 days	220,911	174,518
Between 31 and 60 days	85,071	111,178
Between 61 and 90 days	50,638	61,514
Between 91 and 180 days	16,866	24,363
Over 180 days	63	1,812
	373,549	373,385

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. ASSETS/(LIABILITIES) CLASSIFIED AS HELD FOR SALE

During the year ended 31st March, 2016, the Group entered into a sale and purchase agreement with an independent third party to dispose of Superform Investment Limited (“Superform”), a wholly-owned subsidiary of the Company which owns an office floor in Hong Kong (the “Superform Disposal”). The cash consideration of the Superform Disposal was approximately HK\$371,704,000 and the disposal was completed in May 2016. The assets and liabilities attributable to Superform, included in the Group’s property investment business for segment reporting purposes, had been classified as assets and liabilities held for sale and are presented separately in the consolidated statement of financial position as at 31st March, 2016.

The major classes of assets and liabilities classified as held for sale were as follows:

	31st March, 2016 HK\$'000
Fixed assets	39,304
Deposits paid	<u>239</u>
Total assets classified as held for sale	<u>39,543</u>
Accrual	65
Deferred tax liabilities	<u>1,349</u>
Total liabilities classified as held for sale	<u>1,414</u>
Net assets	<u>38,129</u>

There are no cumulative income or expenses included in other comprehensive income relating to the disposal assets classified as held for sale.

13. BANK AND OTHER BORROWINGS

	30th September, 2016 HK\$'000	31st March, 2016 HK\$'000
Current portion:		
Bank loans:		
Secured (Note (a))	130,000	40,000
Unsecured	–	16,612
Obligations under finance leases (Note (b))	477	483
	130,477	57,095
Non-current portion:		
Secured bank loans (Note (a))	255,000	510,000
Obligations under finance leases (Note (b))	1,529	1,826
	256,529	511,826
	387,006	568,921
Bank and other borrowings by currency:		
Hong Kong dollar	385,000	550,000
Malaysian Ringgit	2,006	13,180
Singapore dollar	–	5,741
	387,006	568,921
Bank loans repayable:		
Within one year	130,000	56,612
In the second year	255,000	510,000
	385,000	566,612
Other borrowings repayable:		
Within one year	477	483
In the second year	477	482
In the third to fifth years, inclusive	1,052	1,344
	2,006	2,309

The Group's bank loans bear interest at floating rates ranging from 2.2 per cent. to 2.8 per cent. (31st March, 2016 — 2.2 per cent. to 4.3 per cent.) per annum.

Notes to the Interim Financial Statements (Continued)

13. BANK AND OTHER BORROWINGS (Continued)

Note:

- (a) At the end of the reporting period, the bank loans were secured by first legal mortgages over certain investment properties and leasehold land and buildings of the Group with carrying amounts of HK\$991,400,000 (31st March, 2016 — HK\$977,800,000) and HK\$56,711,000 (31st March, 2016 — HK\$96,694,000), respectively.

The bank loans as at 31st March, 2016 were also secured by certain bank deposits of the Group with a carrying amount of HK\$1,958,000.

- (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 2.6 per cent. (31st March, 2016 — 2.5 per cent. to 2.6 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\$2,006,000 (31st March, 2016 — HK\$2,309,000).

14. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

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

	30th September, 2016	31st March, 2016
	HK\$'000	HK\$'000
Outstanding balances with ages:		
Within 30 days	168,702	173,772
Between 31 and 60 days	31,634	17,548
Between 61 and 90 days	11,716	5,111
Between 91 and 180 days	8,294	5,754
Over 180 days	1,870	2,342
	222,216	204,527

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

15. SHARE CAPITAL

	30th September, 2016	31st March, 2016
	HK\$'000	HK\$'000
Issued and fully paid:		
9,186,912,716 (31st March, 2016 — 9,186,912,716) ordinary shares	1,705,907	1,705,907

16. 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.

16. SHARE OPTION SCHEMES (Continued)

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

A share option scheme of Asia Now Resources Corp. ("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 board of directors of Asia Now (the "ANR Board") was entitled at any time to offer to grant an option to subscribe for common shares in the capital of Asia Now (the "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 might, in its absolute discretion, select and subject to such conditions as it might think fit. The purpose of the ANR Share Option Scheme was 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 was 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 should be granted on and after the tenth anniversary of the ANR Adoption Date. The options could be exercised at any time during the period commencing on the date of grant and ending on the date of expiry which date should not be later than the day last preceding the tenth anniversary of the date of grant. No option might be exercised by an ANR Eligible Employee until such ANR Eligible Employee had been in continuous employment with Asia Now or its subsidiary or had 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 was not an ANR Eligible Employee, the ANR Board might in its absolute discretion specify such minimum period for which an option must be held before such option could be exercised. In respect of an ANR Eligible Person (whether or not an ANR Eligible Employee), the ANR Board might in its absolute discretion make the exercise of an option conditional on the achievement of minimum performance target(s). No grantee of option was required to pay for the grant of the relevant option.

16. SHARE OPTION SCHEMES (Continued)

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

The overall limit on the number of ANR Shares which might 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 might be granted under the ANR Share Option Scheme should 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 might 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 should 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, were 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 should be subject to a limit that it should 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 should be determined by the ANR Board in its absolute discretion but in any event should not be less than the highest of (i) the closing price of the ANR Shares on the date of grant of the option, as stated in the daily quotations sheets of the TSX Venture Exchange of Canada or the Toronto Stock Exchange, as applicable, being the stock exchange on which the ANR Shares were 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 meant the last closing price of the ANR Shares on the Toronto Stock Exchange before the date the option was granted less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of C\$0.05):

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

No option of Asia Now was granted, exercised, cancelled or lapsed under the ANR Share Option Scheme during the period. There are no outstanding options granted under the ANR Share Option Scheme to subscribe for ANR Shares.

The receivership of Asia Now was completed in April 2016.

17. DISPOSAL OF SUBSIDIARIES

The gain on disposal of subsidiaries for the six months ended 30th September, 2016 mainly included gain on disposal of Superform of HK\$332,398,000. The following table summarises the consideration received and the amounts of net assets disposed of:

	Six months ended 30th September, 2016 HK\$'000
Net assets disposed of:	
Fixed assets	39,304
Debtors, prepayments and deposits	240
Creditors, accruals and deposits received	(889)
Deferred tax liabilities	(1,349)
	37,306
Release of cumulative exchange differences on translation of a foreign operation	(1,568)
	35,738
Gain on disposal	333,966
	369,704
Satisfied by:	
Cash consideration received	369,704

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

	Six months ended 30th September, 2016 HK\$'000
Cash consideration received and net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	369,704

Notes to the Interim Financial Statements (Continued)

18. CONTINGENT LIABILITIES

Save as disclosed elsewhere in the interim financial statements, the Group had the following contingent liabilities at the end of the reporting period:

	30th September, 2016	31st March, 2016
	HK\$'000	HK\$'000
Secured bankers' guarantee (Note (a))	19,569	28,886
Unsecured bankers' guarantee (Note (b))	18,886	14,635
	38,455	43,521

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, 2016, fixed deposits of approximately HK\$15,649,000 (31st March, 2016 — HK\$16,618,000) 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.

19. COMMITMENTS

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

	30th September, 2016	31st March, 2016
	HK\$'000	HK\$'000
Commitments in respect of properties, plant and equipment and properties under development:		
Contracted, but not provided for	43,632	57,346
Other commitments:		
Contracted, but not provided for (Note)	70,480	74,200
	114,112	131,546

Note: The balance included the Group's commitments for available-for-sale financial assets of approximately HK\$62 million (31st March, 2016 — HK\$64 million).

20. 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\$3,877,000 (2015 — HK\$3,264,000) 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\$1,454,000 (2015 — HK\$1,442,000) 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 rental expenses (including service charges) of HK\$1,767,000 (2015 — HK\$1,878,000) to joint ventures of HKC. The rentals were determined by reference to the then prevailing open market rentals.
- (d) During the period, the Group generated sales of HK\$5,957,000 (2015 — HK\$7,853,000) from a joint venture of the Group. 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.
- (e) As at 30th September, 2016, the Group had amounts due from associates of HK\$31,836,000 (31st March, 2016 — HK\$31,836,000) and trade receivables due from a joint venture of HK\$4,354,000 (31st March, 2016 — HK\$3,855,000), 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.

21. 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, 2016 HK\$'000	31st March, 2016 HK\$'000	30th September, 2016 HK\$'000	31st March, 2016 HK\$'000
Financial assets				
Available-for-sale financial assets	97,733	92,284	97,733	92,284
Financial assets at fair value through profit or loss	716,175	713,528	716,175	713,528
Other financial assets	2,147	18	2,147	18
	816,055	805,830	816,055	805,830
Financial liabilities				
Other financial liabilities	1,566	4,168	1,566	4,168

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (*Continued*)

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 approximate to their carrying amounts as they are floating rate instruments that are repriced to market interest rates on or near to the end of reporting period and the Group's non-performance risk is considered to be minimal.

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 because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably.

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

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

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

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

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

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.

For unlisted available-for-sale investment funds classified under Level 3 of the fair value measurement hierarchy, the fair values are determined based on the net asset values of those investments funds. When the net asset value increases/decreases 3 per cent. (31st March, 2016 — 3 per cent.), the fair value will be increased/decreased by HK\$2,339,000 (31st March, 2016 — HK\$2,538,000).

21. 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 HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
At 30th September, 2016				
Assets measured at fair value				
Available-for-sale financial assets:				
Debt securities	–	19,750	–	19,750
Investment funds	–	–	77,983	77,983
Financial assets at fair value through profit or loss:				
Equity securities	334,215	–	–	334,215
Debt securities	154,574	–	–	154,574
Investment funds	223,930	3,456	–	227,386
Other financial assets:				
Derivative financial instruments	914	1,233	–	2,147
	713,633	24,439	77,983	816,055
Liabilities measured at fair value				
Other financial liabilities:				
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	–	1,566	–	1,566
At 31st March, 2016				
Assets measured at fair value				
Available-for-sale financial assets:				
Debt securities	–	7,686	–	7,686
Investment funds	–	–	84,598	84,598
Financial assets at fair value through profit or loss:				
Equity securities	242,259	–	–	242,259
Debt securities	192,821	–	–	192,821
Investment funds	274,566	3,882	–	278,448
Other financial asset:				
Derivative financial instrument	–	18	–	18
	709,646	11,586	84,598	805,830
Liabilities measured at fair value				
Other financial liabilities:				
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	–	4,168	–	4,168

21. 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:

	Six months ended 30th September,	
	2016	2015
	HK\$'000	HK\$'000
Available-for-sale investment funds		
Balance at beginning of period	84,598	12,150
Total losses recognised in other comprehensive income	(568)	(1,209)
Additions	9,258	22,635
Return of capital	(15,305)	–
Balance at end of period	77,983	33,576

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 (2015 — 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.

22. EVENTS AFTER THE REPORTING PERIOD

The Group is directly and indirectly interested in approximately 28 per cent. of all issued and outstanding class A units in Skye Mineral Partners, LLC ("Skye") and approximately 27 per cent. of the total issued and outstanding units in Skye. Skye is the holding company of CS Mining, LLC ("CS Mining"). The existing carrying value of the Group's investments in CS Mining mainly comprised of the value of the secured loans advanced to CS Mining. Subsequent to the end of the reporting period, a final order for a debtor-in-possession loan facility of approximately US\$7,700,000 provided to CS Mining (the "DIP Loan") was approved by the United States Bankruptcy Court for the District of Utah. The DIP Loan is secured by a lien on all assets of CS Mining, which ranks senior to the lien previously granted to Waterloo Street Limited, a wholly-owned subsidiary of the Company, as well as other pre-bankruptcy credit facilities. Pursuant to the terms of the DIP Loan, CS Mining has to commence and conclude a process to sell its business pursuant to certain milestones. CS Mining has filed a motion to extend its exclusive period to file a plan of reorganisation in relation to its bankruptcy petition to March 2017. In August 2016, the Group advanced an interim loan of approximately HK\$7,800,000 to CS Mining which was then fully repaid from the proceeds of the DIP Loan subsequent to the end of the reporting period.

Business Review and Prospects

Business Review

Overview

Stepping into the second quarter of the year 2016, global financial markets continued to be volatile. Following the Brexit vote in the United Kingdom in a national referendum, there has been a period of volatility. It is expected that such uncertainty is likely to continue for some time. The devaluation of Renminbi continued to dampen investor confidence in the Asia region. The extent of and the timing on increase of U.S. interest rates have also added uncertainty in the global economy.

On the positive side, the quantitative easing programmes adopted by, among others, the European Central Bank, Japan and mainland China, and the prevailing low interest rates and ample global liquidity environment have helped to maintain a more stable economic environment in the region. The performance of global stock markets improved in the third quarter of the year 2016.

Results for the Period

The performance of the Company (together with its subsidiaries, the "Group") was satisfactory for the six months ended 30th September, 2016 (the "Period"). The Company recorded a consolidated profit attributable to shareholders of approximately HK\$286 million for the Period, as compared to a consolidated loss of approximately HK\$314 million for the six months ended 30th September, 2015 (the "Last Period" or "2015"). The profit for the Period was mainly attributable to gain on disposal of subsidiaries of approximately HK\$334 million and fair value gain of approximately HK\$61 million on its investments following the recovery of the stock markets offset by the effect of provision of impairment loss on properties under development of HK\$100 million.

Revenue for the Period totalled HK\$1,279 million (2015 — HK\$1,302 million). Food businesses were the principal sources of revenue of the Group, representing 97 per cent. (2015 — 96 per cent.) of total revenue.

Food businesses

The Group's food businesses are mainly operated by Auric Pacific Group Limited ("Auric", together with its subsidiaries, the "APG Group"), a subsidiary of the Company. 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 segment recorded a revenue of HK\$1,239 million (2015 — HK\$1,247 million), mainly from wholesale and distribution of fast moving consumer goods and the food retail operations in chains of bakeries, cafes and bistros.

In last year, management of the APG Group performed a business and operations review to rationalise operations including closure of non-performing stores in Singapore, Malaysia, Hong Kong and mainland China which resulted in significant deterioration in operating results and recorded an impairment of intangible assets of HK\$113 million during the Last Period. This year, arising from the continuing improvement made from rationalisation of product mix and better cost control including driving operations efficiency, the segment recorded a profit of HK\$64 million for the Period as compared to a loss of HK\$112 million for the Last Period. Reinforcing its capabilities, the APG Group will refocus its energies, time and resources on its core strengths to build up its brands and strengthen its performing businesses in manufacturing, wholesale and distribution.

Property investment

The Group's investment properties are located mainly in Hong Kong and mainland China and provide a recurring income. Total segment revenue from the property investment business for the Period amounted to HK\$23 million (2015 — HK\$25 million).

The Group undertakes strategic review of its assets from time to time for maximising return to its shareholders which may include possible sale of certain properties held for investment purposes. In May 2016, the Group completed the disposal of its interest in a subsidiary which was holding an office floor in Hong Kong for an aggregate consideration of HK\$372 million. Such disposal provided a good opportunity for the Group to realise its investments at a profit. Accordingly, the Group recognised a gain on disposal of subsidiary of HK\$332 million and the segment profit increased to HK\$360 million (2015 — HK\$26 million) for the Period.

Property development

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 and a provision for impairment loss on properties under development of HK\$100 million was recorded for the Period. The segment reported a loss of HK\$103 million for the Period (2015 — HK\$62 million, which included provision for impairment loss of HK\$60 million for a property development project in Huai'an City, the PRC which was sold in year 2015).

Treasury and securities investments

Treasury and securities investments businesses recorded a total revenue of HK\$12 million during the Period (2015 — HK\$23 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 and seek gains. Following the improvement in the global stock market in the third quarter of the year 2016, the Group recorded net fair value gain on its investments under the securities investment segment of HK\$61 million for the Period as compared to net fair value loss of HK\$162 million for 2015. The net fair value gain of the securities investment segment for the Period included HK\$51 million gain on listed equity securities, HK\$0.2 million gain on bonds and HK\$11 million gain on investment funds, net-off with HK\$0.9 million loss on other financial instruments. As of 30th September, 2016, the Group's financial assets at fair value through profit or loss amounted to HK\$716 million (31st March 2016 — HK\$714 million), comprising equity securities of HK\$334 million (31st March 2016 — HK\$242 million), debt securities of HK\$155 million (31st March 2016 — HK\$193 million) and investment funds of HK\$227 million (31st March 2016 — HK\$279 million). As a result, the treasury and securities investments businesses recorded a net profit of HK\$65 million for the Period (2015 — loss of HK\$148 million).

Details of the major financial assets at fair value through profit or loss were as follows:

	As at 30th September, 2016		As at 31st March, 2016		Six months ended 30th September, 2016	
	Fair value HK\$'000	Approximate percentage of financial assets at fair value through profit or loss	Approximate percentage to the net assets	Fair value HK\$'000	Net fair value gain HK\$'000	Approximate percentage of fair value gain on financial assets at fair value through profit or loss
GSH Corporation Limited ("GSH")	137,031	19%	3%	107,167	29,864	48%
US Treasury N/B 0.500% 01/31/17	77,613	11%	2%	–	44	0%
US Treasury N/B 2.500% 05/15/24	33,086	5%	1%	88,555	787	1%
Others (Note)	468,445	65%	10%	517,806	31,104	51%
	716,175	100%	16%	713,528	61,799	100%

Note: The remaining came from more than 100 securities, none of which accounted for more than 5 per cent. of the financial assets at fair value through profit or loss as at 30th September, 2016 or 7 per cent. of the net fair value gain for the Period.

As at 30th September 2016, the fair value of the Group's equity securities in GSH amounted to HK\$137 million, representing approximately 19 per cent. of this portfolio. GSH is a Singapore listed property developer in Southeast Asia with certain properties under development in Kuala Lumpur and Kota Kinabalu, Malaysia. GSH also owns GSH Plaza in Singapore and Sutera Harbour Resort in Kota Kinabalu which comprises two five-star hotels and a golf course. This investment was made for asset diversification purpose. In line with the global stock market improvement during the Period, the share price performance of GSH was satisfactory during the Period, resulting in a fair value gain of HK\$30 million, which accounted for approximately 48 per cent. of the total net fair value gain. It is expected that its performance will be largely affected by the global stock market conditions.

The Group also made investments in money markets, including US Treasury N/B 0.500% 01/31/17 and US Treasury N/B 2.500% 05/15/24, which accounted for 11 per cent. and 5 per cent. of the portfolio, respectively. US Treasury N/B 0.500% 01/31/17 is a short duration bond. Because of the short duration, there was no material variation in price during the Period. It is expected that the principal along with the yield on the instrument would be received in full upon maturity. US Treasury N/B 2.500% 05/15/24 is a longer duration bond. Any change in yield will affect the price of this instrument. As advised by the Group's investment advisor, with better economic numbers since July 2016 and the prospect of inflation rising, yields slowly moved higher as people started pricing in more inflation into the longer dated bonds. The Group still recorded a slight fair value gain of HK\$0.8 million after it had liquidated part of the bonds during the Period. However, the Group was advised that, since the U.S. presidential election, the market has moved into a very inflationary and pro-growth mindset. If the Republican-led congress and presidency would lead to massive fiscal spending and inflation would structurally move higher, then bond yields could continue to move higher and the fair value of the investment would continue to drop. However, if the stronger U.S. dollars and higher yields act as a brake on economic growth and the deflationary forces continue to exist, then bond yields where they are offer fair value. Further inflation from what is priced in will depend on how economic data unfolds.

The Group also made a number of small investments in the technology sector through private investment funds to participate in the growing New Economy which include technological companies and communication industry, etc.

Mineral exploration and extraction

Due to a deadlock among the investors of Skye Mineral Partners, LLC (“Skye”), Skye and CS Mining, LLC (“CS Mining”), a majority-owned subsidiary of Skye, were unable to secure further funding for their operations in early 2016. In June 2016, a bankruptcy petition was filed by certain creditors against CS Mining pursuant to Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). In August 2016, the bankruptcy court of the United States (the “US Bankruptcy Court”) granted an order for relief under Chapter 11 of the Bankruptcy Code in respect of CS Mining. CS Mining has discontinued most business operations, but continues to manage its affairs as a debtor-in-possession under a chief restructuring officer. A debtor-in-possession loan facility of approximately US\$7.7 million provided to CS Mining (the “DIP Loan”) was approved by the US Bankruptcy Court. The DIP Loan is secured by a lien on all assets of CS Mining, which ranks senior to the lien previously granted to Waterloo Street Limited (“Waterloo”), a wholly-owned subsidiary of the Company, as well as other pre-bankruptcy credit facilities. Pursuant to the terms of the DIP Loan, CS Mining has to commence and conclude a process to sell its business pursuant to certain milestones (the “Sale Process”). The chief restructuring officer of CS Mining has commenced the Sale Process, which is due to be completed by January 2017 but could be extended so long as CS Mining has sufficient capital to continue operating. CS Mining has filed a motion to extend its exclusive period to file a plan of reorganisation in relation to its bankruptcy petition to March 2017.

In early June 2016, a complaint was filed by certain investors of Skye in a court in the U.S. for, among others, damages allegedly suffered by CS Mining in relation to the acquisition by Waterloo of the secured loans due from CS Mining. Subsequent to the filing of the above complaint, the action was removed to the US Bankruptcy Court. In August 2016, Waterloo and certain investors of Skye, in which the Group has equity interests, filed a complaint against a lender of CS Mining (the “CS Lender”) and other parties in the US Bankruptcy Court for equitable subordination of a convertible loan due from CS Mining to the CS Lender in a principal amount of approximately US\$20 million (the “CS Loan”) and other claims arising out of the CS Lender’s failure to meet its obligations to convert the CS Loan into an equity interest in Skye. The CS Lender filed an answer and counterclaims, while the other defendants filed a motion to dismiss the complaint. While this action is ongoing, the previous action filed by Waterloo against the CS Lender in February 2016 to claim that the CS Lender has failed to honor its contractual obligation to take all necessary steps to convert the CS Loan into equity interest in Skye has been stayed. Waterloo will seek to add the contractual claims against the CS Lender to the above complaint in the US Bankruptcy Court.

In August 2016, the Group advanced an interim loan of approximately HK\$7.8 million to CS Mining which was then fully repaid from the proceeds of the DIP Loan subsequent to 30th September, 2016. The existing carrying value of the Group's investments in CS Mining amounted to approximately HK\$58 million. The Company may be required to make further provision for its investment in CS Mining depending on the outcome of the development of any material events, including the legal proceedings and the Sale Process. The Group is directly and indirectly interested in approximately 28 per cent. of all issued and outstanding class A units in Skye and approximately 27 per cent. of the total issued and outstanding units in Skye.

Financial Position

The Group's financial position remained healthy. As at 30th September, 2016, its total assets amounted to HK\$5.8 billion (31st March, 2016 — HK\$5.7 billion). Due to the disposal of a property holding company and the provision for impairment loss on properties under development during the Period, property-related assets decreased to HK\$1.5 billion as at 30th September, 2016 (31st March, 2016 — HK\$1.7 billion), representing 25 per cent. (31st March, 2016 — 29 per cent.) of the total assets. Total liabilities decreased to HK\$1.3 billion (31st March, 2016 — HK\$1.4 billion). The Group maintained a strong cash position. Total cash and bank balances as at 30th September, 2016 increased to HK\$2.3 billion (31st March, 2016 — HK\$1.9 billion). Current ratio as at the end of the reporting period amounted to 4.0 (31st March, 2016 — 4.5).

As at 30th September, 2016, bank and other borrowings of the Group decreased to HK\$387 million (31st March, 2016 — HK\$569 million), resulting from the repayment of bank loans using the surplus funds received from disposal of a subsidiary. As at 30th September, 2016, bank loans amounted to HK\$385 million and were secured by certain properties and certain bank deposits of the Group. Bank loans as at 31st March, 2016 amounted to HK\$567 million, comprised secured bank loans of HK\$550 million and unsecured bank loans of HK\$17 million. The bank loans were denominated mainly in Hong Kong dollars. 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, 2016 (31st March, 2016 — HK\$2 million). These obligations are secured by the rights to the leased fixed assets. As at 30th September, 2016, approximately 34 per cent. (31st March, 2016 — 10 per cent.) of the bank and other borrowings were repayable within one year. As at 30th September, 2016, the gearing ratio (measured as total borrowings, net of non-controlling interests, to shareholders' funds) was 9.6 per cent. (31st March, 2016 — 14.6 per cent.). The net cash position, measured as cash and bank balances less total bank and other borrowings of the Group as at 30th September, 2016 was HK\$1,868 million (31st March, 2016 — HK\$1,353 million).

The net asset value attributable to equity holders of the Group remained strong and increased to HK\$4.0 billion as at 30th September, 2016 (31st March, 2016 — HK\$3.8 billion). This was equivalent to HK44 cents per share (31st March, 2016 — HK42 cents per share). The increase was mainly attributable to the profit incurred for the Period.

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

The Group had bankers' guarantees of approximately HK\$38 million as at 30th September, 2016 (31st March, 2016 — HK\$44 million) issued in lieu of rental and utility deposits for the premises used for operation of food businesses. Approximately 51 per cent. (31st March, 2016 — 66 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, 2016 — Nil).

As at 30th September, 2016, the Group's commitment amounted to HK\$114 million (31st March, 2016 — HK\$132 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 2,131 employees as at 30th September, 2016 (2015 — 2,485 employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss during the Period amounted to HK\$219 million (2015 — HK\$240 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

Looking ahead, global economic growth is expected to remain modest in the near term. The stabilisation in global demand renders support to the economy in Asia. However, the global economy still faces considerable uncertainties, including the looming interest rate hike in the U.S., possible policy change after the U.S. presidential election, the uncertainty after the Brexit vote in the United Kingdom, geopolitical tensions as well as the pace of the economic growth of mainland China. Hopefully, the prevailing low interest rates and surplus funds environment will be a compensatory positive influence to help maintaining investor confidence and create new business opportunities. The Group will continue to be watchful of market developments. The Group will also continue to take a cautious and prudent approach in managing its assets and assessing new investment opportunities to capture 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, 2015 — an interim dividend of HK0.2 cent per share) amounting to approximately HK\$18.4 million for the six months ended 30th September, 2016 (For the six months ended 30th September, 2015 — approximately HK\$18.4 million), which will be paid on or about Thursday, 26th January, 2017 to shareholders whose names appear on the Register of Members on Friday, 13th January, 2017.

Closure of Register of Members

The Register of Members of the Company will be closed from Wednesday, 11th January, 2017 to Friday, 13th January, 2017 (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, 2016, 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 Tuesday, 10th January, 2017.

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, 2016, the interests or short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on the Stock Exchange (the "Model Code"), were as follows:

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

Name of Director	Personal interests (held as beneficial owner)	Family interests (interest of spouse)	Other interests	Total interests	Approximate percentage of total interests in the issued shares
Number of ordinary shares in the Company					
Stephen Riady	–	–	6,595,476,389 <i>Notes (i) and (ii)</i>	6,595,476,389	71.79
James Siu Lung Lee	2,000	–	–	2,000	0.00
Number of ordinary shares in Lippo Limited ("Lippo")					
Stephen Riady	–	–	369,376,219 <i>Note (i)</i>	369,376,219	74.90
John Luen Wai Lee	1,031,250	–	–	1,031,250	0.21
Number of ordinary shares of HK\$1.00 each in Hongkong Chinese Limited ("HKC")					
Stephen Riady	–	–	1,315,707,842 <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, 2016, 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 369,376,219 ordinary shares in, representing approximately 74.90 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, 2016, Lippo was directly and indirectly interested in an aggregate of 6,595,476,389 ordinary shares in, representing approximately 71.79 per cent. of the issued shares of, the Company.
- (iii) As at 30th September, 2016, 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, 2016, Dr. Stephen Riady, as beneficial owner and through his nominee, was interested in 5 ordinary shares in, representing approximately 16.67 per cent. of the issued shares of, Lanius which is the holder of the entire issued shares of Lippo Capital. Lanius is the trustee of a discretionary trust which was founded by Dr. Mochtar Riady (father of Dr. Stephen Riady), who does not have any interest in the issued shares of Lanius. The beneficiaries of the trust included, inter alia, Dr. Stephen Riady and other members of the family.

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

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

As at 30th September, 2016, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

All the interests stated above represent long positions. Save as disclosed herein, as at 30th September, 2016, 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, 2016, 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 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 30th June, 2016, Mr. King Fai Tsui resigned as a director and senior consultant of a registered financial services company in Hong Kong.

On 1st September, 2016, Mr. John Luen Wai Lee resigned as an independent non-executive director of New World China Land Limited, a company previously listed on the Stock Exchange which was privatised on 4th August, 2016.

Share Option Schemes

Details of the share option schemes of the Company and its subsidiary are disclosed in Note 16 to the interim financial statements.

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

During the six months ended 30th September, 2016, 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, 2016, so far as is known to the Directors of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") as follows:

Interests of substantial shareholders in shares of the Company

Name	Number of ordinary shares	Approximate percentage of the issued shares
Lippo Limited ("Lippo")	6,595,476,389	71.79
Lippo Capital Limited ("Lippo Capital")	6,595,476,389	71.79
Lanius Limited ("Lanius")	6,595,476,389	71.79
Dr. Mochtar Riady	6,595,476,389	71.79
Madam Lidya Suryawaty	6,595,476,389	71.79

Note:

- 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. Together with 50,780,000 ordinary shares of the Company owned by Lippo directly as beneficial owner, Lippo was interested in an aggregate of 6,595,476,389 ordinary shares in, representing approximately 71.79 per cent. of the issued shares of, the Company. Lippo Capital, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in ordinary shares representing approximately 74.90 per cent. of the issued shares of Lippo.
- 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.
- 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 6,595,476,389 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, 2016, 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, 2016.

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, 2016.

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, 29th November, 2016

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
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

Rooms 2302 and 2303
23rd Floor
Tower One
Lippo Centre
89 Queensway
Hong Kong

STOCK CODE

156

WEBSITE

www.lcr.com.hk