



**Hongkong Chinese Limited**

**香港華人有限公司**

*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 655)

2017  
Interim Report



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The Directors of Hongkong Chinese Limited (the "Company") present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30th September, 2017 (the "Period").

## Condensed Consolidated Statement of Profit or Loss

For the six months ended 30th September, 2017

	Note	Unaudited six months ended 30th September,	
		2017 HK\$'000	2016 HK\$'000
<b>Revenue</b>	4	<b>54,617</b>	145,175
Cost of sales	5	<b>(7,843)</b>	(40,715)
<b>Gross profit</b>		<b>46,774</b>	104,460
Administrative expenses		<b>(27,247)</b>	(27,430)
Other operating expenses		<b>(11,694)</b>	(25,322)
Net fair value gain on financial instruments at fair value through profit or loss		<b>222</b>	17,229
Finance costs		<b>(6,305)</b>	(53)
Share of results of associates		<b>1,841</b>	(370)
Share of results of joint ventures	6	<b>4,780</b>	125,610
<b>Profit before tax</b>	5	<b>8,371</b>	194,124
Income tax	7	<b>(1,277)</b>	(7,747)
<b>Profit for the period</b>		<b>7,094</b>	186,377
<b>Attributable to:</b>			
Equity holders of the Company		<b>7,759</b>	186,118
Non-controlling interests		<b>(665)</b>	259
		<b>7,094</b>	186,377
		<b>HK cents</b>	HK cents
<b>Earnings per share attributable to equity holders of the Company</b>	8		
Basic and diluted		<b>0.4</b>	9.3

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30th September, 2017

	Unaudited six months ended 30th September,	
	2017 HK\$'000	2016 HK\$'000 (Restated) <sup>(1)</sup>
<b>Profit for the period</b>	<b>7,094</b>	186,377
<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	233	(1,027)
Adjustments for disposal	–	1,381
	<b>233</b>	354
Exchange differences on translation of foreign operations	<b>28,809</b>	(32,414)
Exchange differences reclassified to profit or loss upon disposal of foreign subsidiaries	–	(2)
Share of other comprehensive income/(loss) of joint ventures	<b>286,799</b>	(167,727)
Share of other comprehensive loss of an associate	<b>(2)</b>	(40)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods and other comprehensive income/(loss) for the period, net of tax	<b>315,839</b>	(199,829)
<b>Total comprehensive income/(loss) for the period</b>	<b>322,933</b>	(13,452)
<b>Attributable to:</b>		
Equity holders of the Company	<b>321,675</b>	(11,029)
Non-controlling interests	<b>1,258</b>	(2,423)
	<b>322,933</b>	(13,452)

<sup>(1)</sup> Refer to Note 21

# Condensed Consolidated Statement of Financial Position

As at 30th September, 2017

	Note	30th September, 2017 HK\$'000 (Unaudited)	31st March, 2017 HK\$'000 (Audited)
<b>Non-current assets</b>			
Fixed assets		39,481	41,297
Investment properties		114,606	111,160
Interests in associates		396,990	427,158
Interests in joint ventures	6	10,030,978	9,720,889
Available-for-sale financial assets		2,869	4,117
Other financial asset		21,567	21,437
		<b>10,606,491</b>	10,326,058
<b>Current assets</b>			
Properties held for sale		94,676	94,600
Properties under development		29,090	28,846
Loans and advances		26,273	19,656
Debtors, prepayments and deposits	10	60,720	53,327
Financial assets at fair value through profit or loss		8,229	9,141
Tax recoverable		46	25
Client trust bank balances		306,925	845,921
Restricted cash		1,069	1,067
Cash and cash equivalents		553,098	536,878
		<b>1,080,126</b>	1,589,461
<b>Current liabilities</b>			
Creditors, accruals and deposits received	11	774,563	1,294,070
Tax payable		60,733	68,959
		<b>835,296</b>	1,363,029
<b>Net current assets</b>		<b>244,830</b>	226,432
<b>Total assets less current liabilities</b>		<b>10,851,321</b>	10,552,490

Condensed Consolidated Statement of Financial Position (Continued)  
As at 30th September, 2017

	Note	30th September, 2017 HK\$'000 (Unaudited)	31st March, 2017 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Bank and other borrowings	12	479,167	476,667
Deferred tax liabilities		20,720	20,405
		<b>499,887</b>	497,072
<b>Net assets</b>			
		<b>10,351,434</b>	10,055,418
<b>Equity</b>			
Equity attributable to equity holders of the Company			
Share capital	13	1,998,280	1,998,280
Reserves	15	8,308,670	8,013,912
		<b>10,306,950</b>	10,012,192
Non-controlling interests		44,484	43,226
		<b>10,351,434</b>	10,055,418

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September, 2017

	Unaudited									
	Attributable to equity holders of the Company								Non-controlling interests	Total equity
	Share capital	Share premium account	Capital redemption reserve <i>(Note 15(c))</i>	Investment revaluation reserve	Hedging reserve <i>(Note 15(d))</i>	Exchange equalisation reserve	Distributable reserves <i>(Note 15(b))</i>	Total		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1st April, 2017	1,998,280	92,775	22,144	267,984	(15,693)	45,114	7,601,588	10,012,192	43,226	10,055,418
Profit for the period	-	-	-	-	-	-	7,759	7,759	(665)	7,094
Other comprehensive income/(loss) for the period:										
Available-for-sale financial assets:										
Changes in fair value	-	-	-	233	-	-	-	233	-	233
Exchange differences on translation of foreign operations	-	-	-	-	-	26,886	-	26,886	1,923	28,809
Share of other comprehensive income/(loss) of joint ventures	-	-	-	8,999	(7,504)	285,304	-	286,799	-	286,799
Share of other comprehensive loss of an associate	-	-	-	-	-	(2)	-	(2)	-	(2)
Total comprehensive income/(loss) for the period	-	-	-	9,232	(7,504)	312,188	7,759	321,675	1,258	322,933
Share of equity movements arising on equity transactions of joint ventures	-	-	-	-	-	-	(6,934)	(6,934)	-	(6,934)
2016/2017 final dividend declared to shareholders of the Company	-	-	-	-	-	-	(19,983)	(19,983)	-	(19,983)
<b>At 30th September, 2017</b>	<b>1,998,280</b>	<b>92,775</b>	<b>22,144</b>	<b>277,216</b>	<b>(23,197)</b>	<b>357,302</b>	<b>7,582,430</b>	<b>10,306,950</b>	<b>44,484</b>	<b>10,351,434</b>
At 1st April, 2016										
As previously reported	1,998,280	92,775	22,144	285,111	(28,509)	407,001	7,724,198	10,501,000	79,581	10,580,581
Prior year adjustment (Note 21)	-	-	-	-	-	587	25,524	26,111	-	26,111
At 1st April, 2016 (restated)	1,998,280	92,775	22,144	285,111	(28,509)	407,588	7,749,722	10,527,111	79,581	10,606,692
Profit for the period	-	-	-	-	-	-	186,118	186,118	259	186,377
Other comprehensive income/(loss) for the period:										
Available-for-sale financial assets:										
Changes in fair value	-	-	-	(1,027)	-	-	-	(1,027)	-	(1,027)
Adjustments for disposal	-	-	-	1,381	-	-	-	1,381	-	1,381
Exchange differences on translation of foreign operations	-	-	-	-	-	(29,732)	-	(29,732)	(2,682)	(32,414)
Exchange differences reclassified to profit or loss upon disposal of foreign subsidiaries	-	-	-	-	-	(2)	-	(2)	-	(2)
Share of other comprehensive loss of joint ventures (restated)	-	-	-	(2,189)	(6,789)	(158,749)	-	(167,727)	-	(167,727)
Share of other comprehensive loss of an associate	-	-	-	-	-	(40)	-	(40)	-	(40)
Total comprehensive income/(loss) for the period (restated)	-	-	-	(1,835)	(6,789)	(188,523)	186,118	(11,029)	(2,423)	(13,452)
Share of equity movements arising on equity transactions of joint ventures	-	-	-	-	1,630	65	(40,949)	(39,254)	-	(39,254)
Disposal of subsidiaries with loss of control	-	-	-	-	-	-	-	-	4,298	4,298
2015/2016 final dividend declared to shareholders of the Company	-	-	-	-	-	-	(39,966)	(39,966)	-	(39,966)
At 30th September, 2016 (restated)	1,998,280	92,775	22,144	283,276	(33,668)	219,130	7,854,925	10,436,862	81,456	10,518,318



# Condensed Consolidated Statement of Cash Flows

For the six months ended 30th September, 2017

	Unaudited	
	six months ended 30th September, 2017	2016
	HK\$'000	HK\$'000
Net cash flows from/(used in) operating activities	<b>(19,135)</b>	230,406
Cash flows from investing activities		
Repayment from an associate	<b>28,827</b>	–
Advances to joint ventures	–	(191,655)
Disposal of subsidiaries, net of cash and cash equivalent disposed of	–	(3,501)
Other net cash flows arising from investing activities	<b>940</b>	1,645
Net cash flows from/(used in) investing activities	<b>29,767</b>	(193,511)
Cash flows from financing activities		
Finance costs paid and net cash flows used in financing activities	<b>(3,790)</b>	–
Net increase in cash and cash equivalents	<b>6,842</b>	36,895
Cash and cash equivalents at beginning of period	<b>536,878</b>	904,015
Exchange realignments	<b>9,378</b>	(10,767)
Cash and cash equivalents at end of period	<b>553,098</b>	930,143

# 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 “Stock Exchange”) (the “Listing Rules”). 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, 2017.

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, 2017, 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.

## 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 HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12 included in <i>Annual Improvements 2014–2016 Cycle</i>	<i>Disclosure of Interests in Other Entities</i>

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

## Notes to the Interim Financial Statements (Continued)

### 2. CHANGES IN ACCOUNTING POLICIES (Continued)

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements:

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> <sup>1</sup>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> <sup>1</sup>
HKFRS 9	<i>Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
HKFRS 15	<i>Revenue from Contracts with Customers</i> <sup>1</sup>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i> <sup>1</sup>
HKFRS 16	<i>Leases</i> <sup>2</sup>
Amendments to HKAS 40	<i>Transfers of Investment Property</i> <sup>1</sup>
Amendments to HKFRS 1 included in <i>Annual Improvements 2014–2016 Cycle</i>	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i> <sup>1</sup>
Amendments to HKAS 28 included in <i>Annual Improvements 2014–2016 Cycle</i>	<i>Investment in Associates and Joint Ventures</i> <sup>1</sup>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i> <sup>1</sup>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2018

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2019

<sup>3</sup> No mandatory effective date yet determined but available for adoption

The Directors of the Company anticipate that the adoption of HKFRS 9, HKFRS 15 and HKFRS 16 will have impact on the Group's consolidated financial statements. The management is in the process of making an assessment of the full impact of these new HKFRSs, and the result is consistent with assessment the management made and disclosed in the annual financial statements for the year ended 31st March, 2017. It is expected that the adoption of other new and revised HKFRSs will have no significant impact on the financial performance and the financial position of the Group.

## 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 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 corporate finance and securities broking segment provides securities and futures brokerage, investment banking, underwriting and other related advisory services;
- (f) the banking business segment engages in the provision of commercial and retail banking services; and
- (g) the “other” segment comprises principally money lending and the provision of project and fund management and investment advisory 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.

Segment assets exclude interests in associates and joint ventures, deferred tax assets, tax recoverable and other head office and corporate assets which are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other head office and corporate liabilities which are managed on a group basis.

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

## Notes to the Interim Financial Statements (Continued)

### 3. SEGMENT INFORMATION (Continued)

Six months ended 30th September, 2017

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Corporate finance and securities broking HK\$'000	Banking business HK\$'000	Other HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
<b>Revenue</b>									
External	28,985	17,036	373	14	7,758	-	451	-	54,617
Inter-segment	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>28,985</b>	<b>17,036</b>	<b>373</b>	<b>14</b>	<b>7,758</b>	<b>-</b>	<b>451</b>	<b>-</b>	<b>54,617</b>
<b>Segment results</b>	<b>21,343</b>	<b>9,313</b>	<b>373</b>	<b>87</b>	<b>(5,896)</b>	<b>130</b>	<b>(2,323)</b>	<b>-</b>	<b>23,027</b>
Unallocated corporate expenses	-	1,851	-	-	-	-	(10)	-	(21,277)
Share of results of associates	-	(90)	-	-	-	-	-	-	1,841
Share of results of joint ventures	1,345	-	-	-	-	3,525	-	-	4,780
<b>Profit before tax</b>									<b>8,371</b>
<b>Other segment information:</b>									
Capital expenditure (Note)	-	-	-	-	140	-	-	-	140
Depreciation	(1)	(24)	-	-	(81)	-	(13)	-	(119)
Interest income	25,659	-	373	-	-	-	189	-	26,221
Finance costs	(6,305)	-	-	-	-	-	-	-	(6,305)
Write-back of provision for impairment losses on a joint venture	-	465	-	-	-	-	-	-	465
Net fair value gain on financial instruments at fair value through profit or loss	-	-	-	92	-	130	-	-	222
Unallocated:									
Capital expenditure (Note)	-	-	-	-	-	-	-	-	5
Depreciation	-	-	-	-	-	-	-	-	(3,170)

## Notes to the Interim Financial Statements (Continued)

### 3. SEGMENT INFORMATION (Continued)

Six months ended 30th September, 2016

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Corporate finance and securities broking HK\$'000	Banking business HK\$'000	Other HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
<b>Revenue</b>									
External	44,841	83,029	2,519	4,887	8,716	-	1,183	-	145,175
Inter-segment	-	-	-	-	187	-	-	(187)	-
<b>Total</b>	<b>44,841</b>	<b>83,029</b>	<b>2,519</b>	<b>4,887</b>	<b>8,903</b>	<b>-</b>	<b>1,183</b>	<b>(187)</b>	<b>145,175</b>
<b>Segment results</b>	<b>42,848</b>	<b>41,187</b>	<b>2,519</b>	<b>22,665</b>	<b>(4,863)</b>	<b>(483)</b>	<b>(5,312)</b>	<b>-</b>	<b>98,561</b>
Unallocated corporate expenses									(29,677)
Share of results of associates	-	(405)	-	-	-	-	35	-	(370)
Share of results of joint ventures	124,273	15	-	-	-	1,322	-	-	125,610
<b>Profit before tax</b>									<b>194,124</b>
<b>Other segment information:</b>									
Capital expenditure (Note)	8	-	-	-	-	-	-	-	8
Depreciation	(5)	(39)	-	-	(249)	-	(20)	-	(313)
Interest income	41,300	-	2,519	-	-	-	152	-	43,971
Finance costs	-	-	-	-	-	-	(53)	-	(53)
Loss on disposal of:									
Subsidiaries	-	-	-	-	-	-	(1,823)	-	(1,823)
Available-for-sale financial assets	-	-	-	(1,412)	-	-	-	-	(1,412)
Write-back of provision for impairment losses on a joint venture	-	2,062	-	-	-	-	-	-	2,062
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	-	-	-	17,712	-	(483)	-	-	17,229
Unallocated:									
Capital expenditure (Note)									601
Depreciation									(3,130)

Note: Capital expenditure includes additions to fixed assets.

## Notes to the Interim Financial Statements (Continued)

### 3. SEGMENT INFORMATION (Continued)

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Corporate finance and securities broking HK\$'000	Banking business HK\$'000	Other HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
<b>At 30th September, 2017 (unaudited)</b>									
<b>Segment assets</b>	151,759	134,788	511,537	11,946	344,209	21,567	12,674	-	1,188,480
Interests in associates	6,769	390,178	-	-	-	-	43	-	396,990
Interests in joint ventures	9,780,630	1,650	-	-	-	248,698	-	-	10,030,978
Unallocated assets									70,169
<b>Total assets</b>									<b>11,686,617</b>
<b>Segment liabilities</b>	483,255	19,576	-	-	456,616	270,630	30	-	1,230,107
Unallocated liabilities									105,076
<b>Total liabilities</b>									<b>1,335,183</b>
<b>At 31st March, 2017 (audited)</b>									
<b>Segment assets</b>	146,741	133,879	496,974	13,258	872,432	21,437	13,120	-	1,697,841
Interests in associates	6,102	421,026	-	-	-	-	30	-	427,158
Interests in joint ventures	9,474,183	1,682	-	-	-	245,024	-	-	9,720,889
Unallocated assets									69,631
<b>Total assets</b>									<b>11,915,519</b>
<b>Segment liabilities</b>	480,673	20,672	-	-	988,473	270,630	56	-	1,760,504
Unallocated liabilities									99,597
<b>Total liabilities</b>									<b>1,860,101</b>

## Notes to the Interim Financial Statements (Continued)

### 4. REVENUE

Revenue represents the aggregate of gross rental income, proceeds from sales of properties, income on treasury investment which includes interest income on bank deposits, income from securities investment which includes gain/(loss) on sales of securities investment, dividend income and related interest income, income from underwriting and securities broking, gross income from project management, and interest and other income from money lending and other businesses, after eliminations of all significant intra-group transactions.

An analysis of the revenue of the Group is as follows:

	Six months ended 30th September,	
	2017	2016
	HK\$'000	HK\$'000
Property rental income	3,326	3,541
Sales of properties	17,036	83,029
Interest income	26,221	43,971
Dividend income	14	4,887
Corporate finance and securities broking	7,758	8,716
Other	262	1,031
	<b>54,617</b>	145,175

### 5. PROFIT BEFORE TAX

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

	Six months ended 30th September,	
	2017	2016
	HK\$'000	HK\$'000
Cost of sales:		
Cost of properties sold	(3,398)	(35,366)
Other	(4,445)	(5,349)
	<b>(7,843)</b>	(40,715)
Interest income:		
Loans and advances	25,848	41,452
Other	373	2,519
Net fair value gain/(loss) on:		
Financial assets at fair value through profit or loss	92	17,712
Derivative financial instrument	130	(483)
Loss on disposal of subsidiaries	–	(1,823)
Loss on disposal of available-for-sale financial assets	–	(1,412)
Write-back of provision for impairment losses on a joint venture	465	2,062
Depreciation	(3,289)	(3,443)
Foreign exchange gains/(losses) — net	5,937	(1,815)



## Notes to the Interim Financial Statements (Continued)

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

Interests in joint ventures mainly included the Group's interest in Lippo ASM Asia Property Limited ("LAAPL"). LAAPL is a joint venture set up to hold the controlling stake in OUE Limited ("OUE"), a listed company in Singapore. OUE focuses its business across commercial, hospitality, retail, residential and healthcare sectors. Certain bank facilities under LAAPL were secured by certain listed shares held under it.

For the six months ended 30th September, 2017, the Group's share of profit in LAAPL amounted to approximately HK\$1,345,000 (2016 — HK\$124,273,000). The decrease in share of profit was mainly resulted from a reduction in the reversal of impairment loss on the development properties under LAAPL. As at 30th September, 2017, the Group's interest in LAAPL was approximately HK\$9,780,630,000 (31st March, 2017 — HK\$9,474,183,000). The increase in interests in LAAPL for the six months ended 30th September, 2017 was mainly due to the increase in share in exchange reserve on translation of LAAPL's investment from the appreciation of the Singapore dollar during the period.

### 7. INCOME TAX

	Six months ended 30th September,	
	2017	2016
	HK\$'000	HK\$'000
Hong Kong:		
Charge for the period	—	—
Overseas:		
Charge for the period	1,597	8,037
Deferred	(320)	(290)
	1,277	7,747
Total charge for the period	1,277	7,747

Hong Kong profits tax has been provided at the rate of 16.5 per cent. (2016 — 16.5 per cent.) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

### 8. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

#### (a) Basic earnings per share

Basic earnings per share is calculated based on (i) the consolidated profit for the period attributable to equity holders of the Company; and (ii) the weighted average number of approximately 1,998,280,000 ordinary shares (2016 — approximately 1,998,280,000 ordinary shares) in issue during the period.

#### (b) Diluted earnings per share

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30th September, 2017 and 2016.

## Notes to the Interim Financial Statements (Continued)

### 9. INTERIM DIVIDEND

	Six months ended 30th September,	
	2017	2016
	HK\$'000	HK\$'000
Interim dividend, declared, of HK1 cent (2016 — HK1 cent) per ordinary share	<b>19,983</b>	19,983

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

### 10. DEBTORS, PREPAYMENTS AND DEPOSITS

Included in the balances are trade debtors with an aged analysis, based on the invoice date and net of provisions, as follows:

	30th September, 2017	31st March, 2017
	HK\$'000	HK\$'000
Outstanding balances with ages:		
Repayable on demand	<b>13,641</b>	7,507
Within 30 days	<b>1,283</b>	3,602
	<b>14,924</b>	11,109

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

Except for receivables from certain securities brokers which are interest-bearing, the balances of trade debtors are non-interest bearing.

## Notes to the Interim Financial Statements (Continued)

### 11. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

Creditors, accruals and deposits received mainly comprised deposits received for the further disposal of a 31 per cent. equity interest in The Macau Chinese Bank Limited ("MCB", a joint venture of the Company) (the "Further Disposal") of HK\$270,630,000 (31st March, 2017 — HK\$270,630,000), a non-refundable exclusivity payment of HK\$130,000,000 (31st March, 2017 — HK\$130,000,000) in relation to the negotiation of the proposed disposal of a majority stake of the Group's securities broking operation and trade creditors relating to securities broking operation. The Further Disposal was completed in November 2017, with further details disclosed in Note 20 to the interim financial statements.

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

	30th September, 2017 HK\$'000	31st March, 2017 HK\$'000
Outstanding balances with ages:		
Repayable on demand	284,985	815,921
Within 30 days	38,385	39,882
	<b>323,370</b>	855,803

The decrease in trade creditors was mainly due to the reduction of payables relating to cash balances held on trust for the customers in respect of the Group's securities broking operation from HK\$855,803,000 as at 31st March, 2017 to HK\$323,370,000 as at 30th September, 2017. As at 30th September, 2017, total client trust bank balances amounted to HK\$306,925,000 (31st March, 2017 — HK\$845,921,000).

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

### 12. BANK AND OTHER BORROWINGS

	30th September, 2017 HK\$'000	31st March, 2017 HK\$'000
Repayable in the third to fifth years, inclusive:		
Unsecured bank loans	479,167	476,667

The Group's bank loans were denominated in Hong Kong dollar and bore interest at floating rate of 1.88 per cent. (31st March, 2017 — 1.52 per cent.) per annum. The Company has provided corporate guarantee for the bank loans granted to a subsidiary of the Company.

## Notes to the Interim Financial Statements (Continued)

### 13. SHARE CAPITAL

	30th September, 2017 HK\$'000	31st March, 2017 HK\$'000
<b>Authorised:</b>		
4,000,000,000 (31st March, 2017 — 4,000,000,000) ordinary shares of HK\$1.00 each	<b>4,000,000</b>	4,000,000
<b>Issued and fully paid:</b>		
1,998,280,097 (31st March, 2017 — 1,998,280,097) ordinary shares of HK\$1.00 each	<b>1,998,280</b>	1,998,280

### 14. SHARE OPTION SCHEME

Pursuant to the share option scheme of the Company (the "Share Option Scheme") adopted and approved by the shareholders of the Company, Lippo Limited, an intermediate holding company of the Company, and Lippo China Resources Limited, a former intermediate holding company and currently a fellow subsidiary of the Company, on 7th June, 2007 (the "Adoption Date"), the board of the Directors of the Company (the "Board") might, 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 was determined by the Board as having contributed to the development, growth or benefit of the Group or any member of it or as having spent any material time in or about the promotion of the Group or its business (together, the "Eligible Persons") an option to subscribe for shares in the Company. The purpose of the Share Option Scheme was 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 was 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 should be granted on and after the tenth anniversary of the 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 should not be later than the day last preceding the tenth anniversary of the date of grant. The Share Option Scheme did not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option could be exercised. However, the rules of the Share Option Scheme provide that the Board might determine, at its sole discretion, such term(s) on the grant of an option. No grantee of option was required to pay for the grant of the relevant option.

### 14. SHARE OPTION SCHEME (Continued)

The overall limit on the number of shares which might 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 might be granted under the Share Option Scheme should not (when aggregated with any shares subject to options granted after the Adoption Date pursuant to any other share option scheme(s) of the Company) exceed 10 per cent. of the issued share capital of the Company on the Adoption Date, that is, 134,682,909 shares (the "Scheme Mandate Limit"). The Scheme Mandate Limit might 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 should be subject to a limit that it should 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 should 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; (ii) the average closing price of the shares of the Company for the five trading days immediately preceding the date of grant of the option, as stated in the daily quotations sheets of the Stock Exchange; and (iii) the nominal value of the shares of the Company on the date of grant of the option.

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

No option of the Company was granted, exercised, cancelled or lapsed during the period. The Share Option Scheme expired in June 2017.

### 15. RESERVES

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

Note:

- (a) Cancellation of the share premium account and transfer to distributable reserves:  
Pursuant to a special resolution passed at a special general meeting of the Company on 2nd December, 1997, the entire amount standing to the credit of the share premium account of HK\$3,630,765,000 was cancelled (the "Cancellation"). The credit arising from the Cancellation was transferred to distributable reserves. The balance of the reserves arising from the Cancellation could be applied towards any capitalisation issues of the Company in future, or for making distributions to shareholders of the Company.
- (b) Distributable reserves of the Group at 30th September, 2017 comprised retained profits of HK\$6,837,455,000 (31st March, 2017 — HK\$6,856,613,000) and the remaining balance arising from the Cancellation of HK\$744,975,000 (31st March, 2017 — HK\$744,975,000).
- (c) The capital redemption reserve is not available for distribution to shareholders.
- (d) The hedging reserve relates to the Group's share of the hedging reserve under joint ventures.

## Notes to the Interim Financial Statements (Continued)

### 16. CONTINGENT LIABILITIES

As at 30th September, 2017, the Company and its subsidiaries had no material contingent liabilities (31st March, 2017 — Nil).

### 17. COMMITMENTS

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

	30th September, 2017 HK\$'000	31st March, 2017 HK\$'000
Commitments in respect of property acquisition:		
Contracted, but not provided for	6,572	7,142
Other commitments:		
Contracted, but not provided for	578	575
	<b>7,150</b>	<b>7,717</b>

### 18. RELATED PARTY TRANSACTIONS

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

- (a) During the period, the Company paid rental expenses (including service charges) of HK\$1,471,000 (2016 — HK\$1,454,000) to a fellow subsidiary of the Company, in respect of office premises occupied by the Company. The rentals were determined by reference to the then prevailing open market rentals.
- (b) During the period, the Group paid rental expenses (including service charges) of HK\$1,793,000 (2016 — HK\$2,107,000) to a joint venture of the Group. The rental was determined by reference to the then prevailing open market rentals.
- (c) During the period, the Group received interest income of HK\$25,659,000 (2016 — HK\$41,300,000) from a joint venture of the Group.
- (d) As at 30th September, 2017, the Group had amounts due from associates of HK\$30,202,000 (31st March, 2017 — HK\$58,339,000). The balances with the associates are unsecured, interest-free and have no fixed terms of repayment.
- (e) As at 30th September, 2017, the Group had amounts due from joint ventures of HK\$2,363,787,000 (31st March, 2017 — HK\$2,259,272,000). The amounts due from joint ventures included balances of HK\$2,346,542,000 (31st March, 2017 — HK\$2,241,562,000), which are unsecured, bear interest at rates ranging from nil to 2.25 per cent. per annum and are repayable on demand. The remaining balances with the joint ventures are unsecured, interest-free and have no fixed terms of repayment.
- (f) As at 30th September, 2017, the Group had trade payables due to a joint venture of HK\$6,846,000 (31st March, 2017 — HK\$3,954,000). The balance is unsecured, interest-free and repayable within the normal trade credit terms.

## Notes to the Interim Financial Statements (Continued)

### 19. 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, 2017 HK\$'000	31st March, 2017 HK\$'000	30th September, 2017 HK\$'000	31st March, 2017 HK\$'000
<b>Financial assets</b>				
Available-for-sale financial assets	2,869	4,117	2,869	4,117
Financial assets at fair value through profit or loss	8,229	9,141	8,229	9,141
Other financial asset: Put Option (Note)	21,567	21,437	21,567	21,437
	<b>32,665</b>	<b>34,695</b>	<b>32,665</b>	<b>34,695</b>

Note: As provided in the shareholders' agreement for the joint arrangement for investment in MCB (the "Shareholders' Agreement"), in the event of the Group holding 20 per cent. or less of the issued share capital of MCB, the Group will be entitled to exercise a put option to require one of the shareholders of MCB to purchase all the remaining shares in MCB held by the Group (the "Put Option"). The Put Option is exercisable at any time during a period of 5 years from the date when the Group's shareholding interest in MCB becomes 20 per cent. or less. The right to exercise the Put Option survives any termination or expiry of the Shareholders' Agreement.

Management has assessed that the fair values of cash and cash equivalents, restricted cash, client trust bank balances, financial assets included in debtors, prepayments and deposits, loans and advances and 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 end of the 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.

## Notes to the Interim Financial Statements (Continued)

### 19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

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

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

The fair values of unlisted investments funds are assessed to approximate the net asset values indicated on the net asset value 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 and investment funds at fair value through profit or loss classified under Level 3 of the fair value measurement hierarchy, the fair values are determined based on the net asset values of those investment funds. When the net asset value increases/decreases 3 per cent. (31st March, 2017 — 3 per cent.), the fair value will be increased/decreased by HK\$240,000 (31st March, 2017 — HK\$303,000).

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

Below is a summary of significant unobservable inputs to the valuation of the Put Option used in Level 3 fair value measurements as at 30th September, 2017:

	Valuation techniques	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value to the input
Other financial asset: Put Option	Monte-Carlo simulation method	Volatility of underlying shares	22.6 per cent. to 24.1 per cent. (31st March, 2017 — 23.4 per cent. to 24.7 per cent.)	When the volatility of the underlying shares increases/decreases 5 per cent. (31st March, 2017 — 5 per cent.), the fair value will be increased/decreased by HK\$618,000 and HK\$387,000 (31st March, 2017 — HK\$672,000 and HK\$459,000), respectively



## Notes to the Interim Financial Statements (Continued)

### 19. 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	
<b>At 30th September, 2017</b>				
Available-for-sale financial assets:				
Equity securities	23	-	-	23
Debt securities	-	2,580	-	2,580
Investment funds	-	-	266	266
Financial assets at fair value through profit or loss:				
Equity securities	346	-	-	346
Investment funds	-	146	7,737	7,883
Other financial asset:				
Derivative financial instrument	-	-	21,567	21,567
	<b>369</b>	<b>2,726</b>	<b>29,570</b>	<b>32,665</b>
<b>At 31st March, 2017</b>				
Available-for-sale financial assets:				
Equity securities	24	-	-	24
Debt securities	-	2,300	-	2,300
Investment funds	-	-	1,793	1,793
Financial assets at fair value through profit or loss:				
Equity securities	682	-	-	682
Investment funds	-	163	8,296	8,459
Other financial asset:				
Derivative financial instrument	-	-	21,437	21,437
	<b>706</b>	<b>2,463</b>	<b>31,526</b>	<b>34,695</b>

## Notes to the Interim Financial Statements (Continued)

### 19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### Fair value hierarchy (Continued)

The movements in fair value measurements in Level 3 for the six months ended 30th September, 2017 are as follows:

	Available- for-sale investment funds HK\$'000	Investment funds at fair value through profit or loss HK\$'000	Other financial asset HK\$'000
At 1st April, 2017	1,793	8,296	21,437
Total gains recognised in the statement of profit or loss	–	90	130
Total losses recognised in other comprehensive income	(47)	–	–
Return of capital	(854)	–	–
Disposals	(642)	(693)	–
Exchange adjustments	16	44	–
<b>At 30th September, 2017</b>	<b>266</b>	<b>7,737</b>	<b>21,567</b>

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 (2016 — 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.

### 20. EVENT AFTER THE REPORTING PERIOD

The completion of the Further Disposal took place in early November 2017 whereupon the Group's equity interest in MCB reduced from 51 per cent. to 20 per cent. By reference to the unaudited accounts of MCB as of 30th September, 2017, it is estimated that a gain on disposal of approximately HK\$119,000,000 (subject to audit and adjustment) shall be reflected in the Group's results for the financial year ending 31st March, 2018.

### 21. COMPARATIVE AMOUNTS

As at 30th September, 2016, a joint venture of OUE (a subsidiary of LAAPL which in turn is a principal joint venture of the Group) had not completed the purchase price allocation review in respect of further acquisitions of its existing investments (the "Acquisitions"). Such purchase price allocation review was completed during the year ended 31st March, 2017 and OUE recorded a share of gain from bargain purchase arisen from the Acquisitions.

As a consequence, the Group made certain adjustments to retrospectively adjust the impact of the Acquisitions, which led to an increase in interests in joint ventures of HK\$26,111,000, an increase in retained earnings of HK\$25,524,000 and an increase in the exchange equalisation reserve of HK\$587,000 in the Group's consolidated statement of financial position as at 1st April, 2016 and a decrease in share of exchange equalisation reserve of joint ventures of HK\$263,000 for the six months ended 30th September, 2016. As a result, the net other comprehensive loss attributable to the equity holders of the Company for the six months ended 30th September, 2016 was increased by HK\$263,000. There was no impact for the profit and earnings per share attributable to equity holders of the Company for the six months ended 30th September, 2016.

Besides, certain comparative amounts have been reclassified and restated to conform with the current period's presentation and disclosures.

# Business Review and Prospects

## Business Review

### Overview

The global economy maintained its upward momentum throughout the Period that culminated in record high indices in major stock markets and strengthening GDP growth, albeit various uncertainties and downside risks such as Brexit negotiations, geopolitical incidents and policy changes in the United States of America (the “US”). Against this backdrop, the Group and its joint ventures recorded varied results for the Period.

### Results for the Period

The Group recorded a consolidated profit attributable to shareholders of approximately HK\$8 million for the Period, as compared to a consolidated profit of approximately HK\$186 million for the six months ended 30th September, 2016 (the “2016 Period”). The decrease in profit was mainly due to a decrease in share of profit from joint ventures resulted from a reduction in the reversal of impairment loss on the development properties of a joint venture, lower interest income received from its joint venture and a drop in profit from the disposal of the Group’s properties held for sale as a result of less properties sold during the Period.

Property investment and development businesses are the principal sources of revenue of the Group, contributing to 84 per cent. (2016 — 88 per cent.) of total revenue. Total revenue for the Period decreased to HK\$55 million (2016 — HK\$145 million). The decrease was mainly due to lower revenue from sales of properties of the Group as a substantial portion of the completed development properties was sold and recognised in prior years.

### Property Investment

Segment revenue from the property investment business was mainly attributable to recurrent rental income from the Group’s investment properties portfolio and interest income from the loans to a subsidiary of LAAPL (together with its subsidiaries the “LAAPL Group”), a principal joint venture of the Company. The segment revenue for the Period decreased to HK\$29 million (2016 — HK\$45 million), mainly due to the reduction in the interest rate of the loans to the LAAPL Group since the second half of the last financial year. As a result, the segment reported a profit of HK\$21 million (2016 — HK\$43 million) for the Period before accounting for the share of results from the Group’s joint ventures.

## Business Review and Prospects (Continued)

LAAPL is the vehicle holding a controlling stake of approximately 68.6 per cent. equity interest in OUE (together with its subsidiaries the "OUE Group") as at 30th September, 2017. OUE is listed on the Main Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") and is principally engaged in developing and managing assets across the commercial, hospitality, retail, residential and healthcare sectors. With its core strategy of investing in and enhancing a stable of distinctive properties, the OUE Group is committed to developing a portfolio with a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value. The OUE Group has established a high quality property portfolio at prime locations in Singapore, Shanghai in the People's Republic of China (the "PRC") and Los Angeles in the US. The transformation of OUE Downtown in Singapore into a mixed-use development has been completed, with the new Downtown Gallery and Oakwood Premier OUE Singapore commencing operations in May and June 2017 respectively. Downtown Gallery with approximately 14,000 sq. m. of premium retail space spreading over six levels has an extensive mix of tenant offerings centred on lifestyle and wellness. Oakwood Premier OUE Singapore, occupying the 7th to 32nd storeys of OUE Downtown 1, is home to 268 serviced residences and caters to international travellers looking for luxury urban living. Both properties contributed positively to the OUE Group's performance and recurrent income base. The iconic U.S. Bank Tower in downtown Los Angeles, a 75-storey Class A office tower, also contributed to the revenue of the OUE Group. With the OUE Group's active marketing effort, all the development properties of OUE Twin Peaks in Singapore were fully sold by October 2017.

The LAAPL Group held, as at 30th September, 2017, approximately 38.1 per cent. of the total number of stapled securities of OUE Hospitality Trust which is listed on the Main Board of the SGX-ST. Its portfolio includes the 1,077-room Mandarin Orchard Singapore, the adjoining Mandarin Gallery and the 563-room Crowne Plaza Changi Airport in Singapore. The hotels recorded stronger performance during the Period.

Further, the OUE Group had, as at 30th September, 2017, an approximately 55.6 per cent. interest in OUE Commercial Real Estate Investment Trust which is also listed on the Main Board of the SGX-ST. Its property portfolio includes OUE Bayfront and One Raffles Place in Singapore as well as the properties at Lippo Plaza in Shanghai. The portfolio's committed occupancy increased to 97 per cent. as at 30th September, 2017 with all three properties achieving higher-than-market office occupancy.

## Business Review and Prospects (Continued)

The mandatory unconditional cash offer by the OUE Group for all the remaining issued shares in OUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Limited) (“OUELH”) in Singapore (which became a subsidiary of the OUE Group in March 2017 and is listed on the Catalist Board of the SGX-ST) closed on 13th April, 2017. As at 30th September, 2017, the OUE Group owned approximately 86.2 per cent. equity interest in OUELH. OUELH is an integrated healthcare services and facilities provider owning 12 quality nursing homes in Japan and derives rental revenue therefrom as well as revenue from the operation of a hospital in Wuxi, Jiangsu Province, the PRC. It also has 2 proposed hospital projects in the PRC and a proposed integrated mixed-use development project in Malaysia comprising specialist medical suites, upscale retail space and serviced residences targeting the upper-middle to high income market segments.

The Group recorded a share of profit of joint ventures of HK\$1 million from its investment in LAAPL for the Period (2016 — HK\$124 million). The decrease in share of profit as compared with that for the 2016 Period was mainly resulted from a reduction in the reversal of impairment loss on the development properties of the LAAPL Group. Besides, benefiting from the appreciation of the Singapore dollar during the Period, the Group shared an increase in exchange reserve on translation of LAAPL’s investment of HK\$285 million during the Period. As a result, the Group’s total interests in LAAPL as at 30th September, 2017 increased to HK\$9.8 billion (31st March, 2017 — HK\$9.5 billion).

### Property Development

The sale of most of the carparking spaces at “M Residences” contracted for were completed during the Period. On the other hand, sale of the remaining meagre number of shophouse and carparking spaces at Lippo Plaza in Beijing was sluggish due to Beijing’s tightened policy on property sale and weakened market demand. With a substantial portion of the completed development properties sold and recognised in prior years, the segment revenue and segment profit for the Period decreased to HK\$17 million (2016 — HK\$83 million) and HK\$9 million (2016 — HK\$41 million) respectively, before accounting for the share of results from the Group’s associates and joint ventures.

The Singapore residential market showed signs of recovery after bottoming out in 2017. Some of the remaining units of the luxurious Marina Collection in Sentosa, Singapore (in which the Group has a 50 per cent. interest) were sold during the Period. A portion of the remaining units are leased out. The Group shared a profit of associates of HK\$2 million (2016 — loss of HK\$0.4 million) from the investment.

### Treasury and Securities Investments

The Group cautiously managed its investment portfolio and looked for opportunities to enhance yields and seek gains. In the absence of any material fair value gain on securities investment portfolio during the Period, the treasury and securities investments businesses recorded a net profit of HK\$0.5 million for the Period (2016 — HK\$25 million). Total revenue from treasury and securities investments businesses of HK\$0.4 million during the Period (2016 — HK\$7 million) was mainly attributable to the interest and dividend income received from the investment portfolio.

### Banking

MCB (a joint venture of the Company in which the Group had a 51 per cent. equity interest as at 30th September, 2017) continued to record strong growth in customer deposits and loans during the Period. Accordingly, the Group's share of profit from MCB increased to HK\$4 million for the Period (2016 — HK\$1 million).

After the extension of the deadline from 30th June, 2017 to 31st December, 2017 for obtaining the approval by the Monetary Authority of Macau of the proposed disposal by the Group of further 31 per cent. equity interests in MCB, such approval was obtained in October 2017. The completion of the disposal took place in early November 2017 whereupon the Group's equity interest in MCB reduced from 51 per cent. to 20 per cent. and accordingly, MCB ceased to be a subsidiary of the Group under the Listing Rules and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). By reference to the unaudited accounts of MCB as of 30th September, 2017, it is estimated that there would be a gain on disposal of approximately HK\$119 million (subject to audit and adjustment) which will be reflected in the Group's results for the financial year ending 31st March, 2018.

Pursuant to the Shareholders Agreement in July 2015, the Group has a put option to sell its remaining 20 per cent. interest to the majority shareholder of MCB at any time during the 5 years from 3rd November, 2017 (the "Put Option"). The fair value of the Put Option was included in "Other financial asset" of the Group's consolidated statement of financial position with a segment gain of HK\$0.1 million for the Period (2016 — loss of HK\$0.5 million) from the change in fair value included in the banking business segment results.

### Corporate Finance and Securities Broking

Lippo Securities Holdings Limited (the wholly-owned securities arm of the Company) and its subsidiaries continued to face challenges in their operations amidst competition. This segment registered a total revenue of HK\$8 million for the Period (2016 — HK\$9 million) and the loss of this segment was HK\$6 million for the Period (2016 — HK\$5 million).

Segment assets as at 30th September, 2017 decreased to HK\$344 million (31st March, 2017 — HK\$872 million), mainly due to the corresponding reduction of client money held in trust. Accordingly, segment liabilities also decreased to HK\$457 million (31st March, 2017 — HK\$988 million).

### Financial Position

The Group's financial position remained healthy. As at 30th September, 2017, its total assets amounted to HK\$11.7 billion (31st March, 2017 — HK\$11.9 billion). Property-related assets amounted to HK\$10.5 billion as at 30th September, 2017 (31st March, 2017 — HK\$10.2 billion), representing 90 per cent. (31st March, 2017 — 85 per cent.) of total assets. Total liabilities as at 30th September, 2017 decreased to HK\$1.3 billion (31st March, 2017 — HK\$1.9 billion), mainly due to the corresponding reduction of client money held in trust under corporate finance and securities broking business. The Group maintained a strong liquidity position. Total cash and cash equivalents as at 30th September, 2017 amounted to HK\$553 million (31st March, 2017 — HK\$537 million). Current ratio as at 30th September, 2017 amounted to 1.3 (31st March, 2017 — 1.2).

As at 30th September, 2017, the Group's bank and other borrowings amounted to HK\$479 million (31st March, 2017 — HK\$477 million). The bank loans were denominated in Hong Kong dollars, carried interest at floating rate and were not repayable within one year. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure. The gearing ratio (measured as total borrowings to equity attributable to equity holders of the Company) was 4.6 per cent. as at 30th September, 2017 (31st March, 2017 — 4.8 per cent.).

The net asset value attributable to equity holders of the Group remained strong and amounted to HK\$10.3 billion as at 30th September, 2017 (31st March, 2017 — HK\$10.0 billion). This was equivalent to HK\$5.2 per share (31st March, 2017 — HK\$5.0 per share).

## Business Review and Prospects (Continued)

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, swaps and currency loans would be used to manage the foreign exchange exposure.

To secure bank facilities made available to the Group's securities broking operation, certain bank deposits were pledged. Such bank facilities had not been utilised at the end of the Period. Save as aforesaid, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Period (31st March, 2017 — Nil).

The Group's commitments, mainly related to the property and securities investments, amounted to HK\$7 million as at 30th September, 2017 (31st March, 2017 — HK\$8 million). The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

### **Staff and Remuneration**

The Group had 73 employees as at 30th September, 2017 (30th September, 2016 — 80 employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss during the Period amounted to HK\$17 million (2016 — HK\$17 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 global economy's upward momentum is expected to continue into 2018 despite lingering uncertainties and downside risks mentioned above as well as the planned reversion of quantitative easing or alike in the US and Euro zone. The OUE Group's hospitality division is poised to benefit from higher demand in the light of the return of large biennial events in Singapore in 2018 amidst new hotel room supply coming on stream. The rebound of the office and retail markets in Singapore on the back of stronger economic fundamentals and more positive market sentiment would help foster the OUE Group's premier office and mall leasing although underlying occupier demand remains uncertain. The office rental outlook for the US and the PRC is soft due to increasing supply.

The PRC's latest committed near to long-term development plans and goals coupled with the Belt and Road Initiative and the US's favourable proposed tax reform could bring about enormous business opportunities. The Group will take a prudent approach in managing its investments and assessing new opportunities in order to achieve sustainable growth and enhance shareholder value.

## Additional Information

### Interim Dividend

The Directors have resolved to declare the payment of an interim dividend of HK1 cent (2016 — HK1 cent) per share amounting to approximately HK\$20 million for the Period (2016 — approximately HK\$20 million), which will be paid on or about Thursday, 25th January, 2018 to shareholders whose names appear on the Company's Register of Members on Friday, 12th January, 2018.

### Closure of Register of Members

The Register of Members of the Company will be closed from Wednesday, 10th January, 2018 to Friday, 12th January, 2018 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend for the Period, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with Tricor Tengis Limited, the Company's Branch Share Registrar in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 9th January, 2018.

## 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, 2017, the interests and 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

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

Name of Director	Personal interests (held as beneficial owner)	Family interests (interest of spouse)	Other interests	Total interests	Approximate percentage of total interests in the issued shares
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#### Number of ordinary shares of HK\$1.00 each in the Company

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

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

Stephen Riady	–	–	369,800,219 <i>Notes (i) and (ii)</i>	369,800,219	74.98
John Luen Wai Lee	1,031,250	–	–	1,031,250	0.21

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

Stephen Riady	–	–	6,669,969,389 <i>Notes (i), (ii) and (iii)</i>	6,669,969,389	72.60
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## Additional Information (Continued)

### 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)

Notes:

- (i) As at 30th September, 2017, Lippo Capital Limited ("Lippo Capital"), an associated corporation (within the meaning of Part XV of the SFO) of the Company, was indirectly interested in 1,315,707,842 ordinary shares of HK\$1.00 each in, representing approximately 65.84 per cent. of the issued shares of, the Company. Lanius Limited ("Lanius"), an associated corporation (within the meaning of Part XV of the SFO) of the Company, is the holder of 705,690,001 ordinary shares of HK\$1.00 each in, representing the entire issued shares of, Lippo Capital. Lanius is the trustee of a discretionary trust which was founded by Dr Mochtar Riady, who does not have any interest in the issued shares of Lanius. The beneficiaries of the trust include, inter alia, Dr Stephen Riady and other members of the family. Dr Stephen Riady was taken to be interested in Lippo Capital under the provisions of the SFO.
- (ii) As at 30th September, 2017, Lippo Capital, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in an aggregate of 369,800,219 ordinary shares in, representing approximately 74.98 per cent. of the issued shares of, Lippo.
- (iii) As at 30th September, 2017, Lippo was indirectly interested in 6,669,969,389 ordinary shares in, representing approximately 72.60 per cent. of the issued shares of, LCR.

For the reasons outlined above, through his deemed interest in Lippo Capital as mentioned in Note (i) above, Dr Stephen Riady was also taken to be interested in the issued shares of the following associated corporations (within the meaning of Part XV of the SFO) of the Company:

Name of associated corporation	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Abital Trading Pte. Limited	Ordinary shares	2	100
Blue Regent Limited	Ordinary shares	100	100
Boudry Limited	Ordinary shares	10	100
	Non-voting deferred shares	1,000	100
Brainy World Holdings Limited	Ordinary shares	1	100
Brimming Fortune Limited	Ordinary shares	1	100
Broadwell Overseas Holdings Limited	Ordinary shares	1	100
First Tower Corporation	Ordinary shares	1	100
Gemdale Properties and Investment Corporation Limited	Ordinary shares	4,706,452,795	29.80

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

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

Name of associated corporation	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Grand Peak Investment Limited	Ordinary shares	2	100
Great Honor Investments Limited	Ordinary shares	1	100
Greenorth Holdings Limited	Ordinary shares	1	100
Hennessy Holdings Limited	Ordinary shares	1	100
HKCL Investments Limited	Ordinary shares	1	100
Honix Holdings Limited	Ordinary shares	1	100
International Realty (Singapore) Pte. Limited	Ordinary shares	2	100
J & S Company Limited	Ordinary shares	1	100
Lippo Assets (International) Limited	Ordinary shares	1	100
	Non-voting deferred shares	15,999,999	100
Lippo Finance Limited	Ordinary shares	6,176,470	82.35
Lippo Health Care Limited	Ordinary shares	1	100
Lippo Investments Limited	Ordinary shares	2	100
Lippo Realty Limited	Ordinary shares	2	100
MG Superteam Pte. Ltd.	Ordinary shares	1	100
Multi-World Builders & Development Corporation	Ordinary shares	4,080	51
Prime Success Limited	Ordinary shares	1	100
Skyscraper Realty Limited	Ordinary shares	10	100
The HCB General Investment (Singapore) Pte Ltd.	Ordinary shares	100,000	100
Valencia Development Limited	Ordinary shares	800,000	100
	Non-voting deferred shares	200,000	100
Winroot Holdings Limited	Ordinary shares	1	100

As at 30th September, 2017, Dr Stephen Riady, as beneficial owner and through his nominee, was interested in 5 ordinary shares in, representing approximately 16.67 per cent. of the issued shares of, Lanius which is the holder of the entire issued shares of Lippo Capital. Lanius is the trustee of a discretionary trust which was founded by Dr Mochtar Riady (father of Dr Stephen Riady), who does not have any interest in the issued shares of Lanius. The beneficiaries of the trust include, inter alia, Dr Stephen Riady and other members of the family.

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

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

As at 30th September, 2017, Dr Stephen Riady was interested in 26,701,737 ordinary shares in Auric Pacific Group Limited ("Auric"), an associated corporation (within the meaning of Part XV of the SFO) of the Company, held by Silver Creek Capital Pte. Ltd. ("Silver Creek"). Dr Stephen Riady is the beneficial owner of 70 per cent. of the issued shares of Silver Creek. For the reasons mentioned above, through his deemed interests in Lippo Capital, Dr Stephen Riady was also taken to be interested in 61,927,335 ordinary shares in Auric. Accordingly, Dr Stephen Riady was interested and taken to be interested in an aggregate of 88,629,072 ordinary shares in, representing approximately 70.53 per cent. of the issued shares of, Auric.

As at 30th September, 2017, 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, 2017, 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, 2017, 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).

## Additional Information (Continued)

### Interests and Short Positions of Shareholders Discloseable under the SFO

As at 30th September, 2017, so far as is known to the Directors of the Company, the following substantial shareholders (as defined under the Listing Rules) and other person, other than the Directors and chief executive of the Company, had interests in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO and/or as notified to the Company as follows:

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

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

## Additional Information (Continued)

### Interests and Short Positions of Shareholders Discloseable under the SFO (Continued)

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

Notes:

1. Hennessy, the immediate holding company of the Company, as beneficial owner, directly held 1,315,707,842 ordinary shares of HK\$1.00 each in, representing approximately 65.84 per cent. of the issued shares of, the Company.
2. Hennessy is wholly owned by Prime Success which in turn is wholly owned by Lippo.
3. Lippo Capital, the holding company of Lippo, together with its wholly-owned subsidiary, J & S Company Limited, owns ordinary shares representing approximately 74.98 per cent. of the issued shares of Lippo.
4. Lanius is the holder of the entire issued shares of Lippo Capital and is the trustee of a discretionary trust which was founded by Dr Mochtar Riady, who does not have any interest in the issued shares of Lanius. Dr Mochtar Riady and his wife Madam Lidya Suryawaty were taken to be interested in Lippo Capital under the provisions of the SFO.
5. Hennessy's interests in the ordinary shares of the Company were recorded as the interests of Prime Success, Lippo, Lippo Capital, Lanius, Dr Mochtar Riady and Madam Lidya Suryawaty. The above 1,315,707,842 ordinary shares in the Company related to the same block of shares that Dr Stephen Riady was interested, details of which are disclosed in the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations". Dr Mochtar Riady, his wife Madam Lidya Suryawaty and Dr Stephen Riady were taken to be interested in the shares of the Company under the provisions of the SFO.
6. Farallon, through the entities and accounts managed by it as investment adviser (both directly and through its wholly-owned subsidiary Farallon Capital Asia Pte. Ltd. (formerly known as Noonday Asset Management Pte. Ltd.)), namely Farallon Capital Partners, L.P., Farallon Capital Institutional Partners, L.P., Farallon Capital Institutional Partners II, L.P., Farallon Capital Institutional Partners III, L.P., Farallon Capital (AM) Investors, L.P., Farallon Capital Offshore Investors II, L.P., Noonday Capital Partners, L.L.C., Noonday Offshore, Inc. and Farallon Capital AA Investors, L.P., was indirectly interested in an aggregate of 199,620,650 ordinary shares of HK\$1.00 each in, representing approximately 9.98 per cent. of the issued shares of, the Company.
7. The percentage of interests of "other person" in the issued shares stated in this section is based on the disclosure form filed with the Company.

All the interests stated above represent long positions. Save as disclosed herein, as at 30th September, 2017, none of the substantial shareholders (as defined under the Listing Rules) or other person, other than the Directors and chief executive of the Company, had any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.



### Updated Directors' Information

The following are the updated information of certain Directors of the Company pursuant to rule 13.51B(1) of the Listing Rules:

- (1) Dr Stephen Riady was appointed as a non-independent non-executive director of OUELH on 17th July, 2017. He was also appointed as a non-executive non-independent director of Healthway Medical Corporation Limited ("HMC", a company listed on the Catalist Board of the SGX-ST) on 16th August, 2017.
- (2) Mr John Luen Wai Lee was appointed as the non-executive non-independent Chairman of HMC on 2nd August, 2017.
- (3) Mr Albert Saychuan Cheok resigned as the independent non-executive Chairman of LMIRT Management Limited (the Manager of Lippo Malls Indonesia Retail Trust which is a listed Singapore based real estate investment trust) on 30th September, 2017. He was appointed as the independent non-executive Chairman of 5G Networks Limited (a company listed on the Australian Securities Exchange on 17th November, 2017) on 29th June, 2017.

### Share Option Scheme

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

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

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

### Disclosure Pursuant to Rule 13.20 of the Listing Rules

The Group had granted financial assistance to Fortune Code Limited ("FCL"), a subsidiary of LAAPL. The relevant advances disclosed pursuant to rule 13.13 of the Listing Rules and remained outstanding as at 30th September, 2017 were granted under the following loan agreements:

- (1) a loan agreement dated 29th May, 2015 entered into between FCL and Pacific Landmark Holdings Limited ("PLH"), a subsidiary of the Company, pursuant to which PLH agreed to advance a loan of S\$53,920,839.43 (the "Loan") to FCL;
- (2) a loan agreement dated 28th August, 2015 entered into between FCL and PLH pursuant to which PLH agreed to make available a loan facility of S\$7,000,000 (the "Interim Loan") to FCL;

**Disclosure Pursuant to Rule 13.20 of the Listing Rules (Continued)**

- (3) a loan agreement dated 28th August, 2015 entered into between FCL and PLH pursuant to which PLH agreed to advance a further loan of S\$100,000,000 (the "Further Loan") to FCL;
- (4) a loan agreement dated 12th October, 2015 entered into between FCL and PLH pursuant to which PLH agreed to make available a loan facility of S\$2,000,000 (the "Second Interim Loan") to FCL;
- (5) a loan agreement dated 30th November, 2015 entered into between FCL and PLH pursuant to which PLH agreed to make available a new loan facility of S\$38,000,000 (the "New Loan") to FCL;
- (6) a loan agreement dated 19th July, 2016 entered into between FCL and PLH pursuant to which PLH agreed to make available a loan facility of approximately S\$14,959,000 (the "July 2016 Loan") to FCL; and
- (7) a loan agreement dated 20th October, 2016 entered into between FCL and Polar Step Limited ("PSL"), a subsidiary of the Company, pursuant to which PSL agreed to make available a loan facility in the maximum principal amount of S\$155,000,000 (the "October 2016 Facility") to FCL. The October 2016 Facility was first drawn on 4th January, 2017 (the "October 2016 Facility Drawdown Date") and is unsecured, subject to an interest rate of 2.25 per cent. per annum and repayable on demand.

In addition, an unsecured loan of approximately S\$10,314,000 (the "June 2013 Loan") was advanced by PLH to FCL on 20th June, 2013.

On 20th October, 2016, PLH had assigned all of PLH's rights, interests, benefits and title in the June 2013 Loan, the Loan, the Further Loan and the July 2016 Loan to PSL. Pursuant to an amended and restated loan agreement dated 20th October, 2016 entered into between, inter alia, PSL and FCL, with effect from the October 2016 Facility Drawdown Date, the interest rate of each of the June 2013 Loan, the Loan, the Further Loan and the July 2016 Loan were amended from 6.5 per cent. per annum to 2.25 per cent. per annum and the repayment date was amended to repayable on demand.

### **Disclosure Pursuant to Rule 13.20 of the Listing Rules (Continued)**

On 4th January, 2017, PLH had assigned all of PLH's rights, interests, benefits and title in the Interim Loan, the Second Interim Loan and the New Loan to PSL. Pursuant to an amended and restated loan agreement dated 4th January, 2017 entered into between, inter alia, PSL and FCL, with effect from 4th January, 2017, the interest rate of each of the Interim Loan, the Second Interim Loan and the New Loan were amended from 6.5 per cent. per annum to 2.25 per cent. per annum and such loans will be repayable on demand.

All the above advances to FCL (the "Advances") are unsecured. As at 30th September, 2017, the balance of the Advances amounted to approximately S\$380,420,000 (equivalent to approximately HK\$2,188,403,000).

### **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 King Fai Tsui (Chairman), Mr Albert Saychuan Cheok and Mr Victor Ha Kuk Yung 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 Group for the Period.

### **Corporate Governance**

The Company is committed to ensuring a high standard of corporate governance practices. 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 shareholder value.

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the Period.

Additional Information (*Continued*)

### **Model Code For Securities Transactions By Directors**

The Company has adopted the Model Code as the code for securities transactions by the Directors. Having made specific enquiry of all the Directors, the Directors have complied with the required standard set out in the Model Code during the Period.

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

29th November, 2017

## Supplementary Financial Information

### Disclosure Pursuant to Rule 13.22 of the Listing Rules

Set out below is a pro forma combined statement of financial position of the Group's affiliates as at 30th September, 2017 (being the latest practicable date for determining the relevant figures) required to be disclosed under the Listing Rules:

	HK\$'000
Pro forma combined statement of financial position	
Intangible assets	950,215
Fixed assets	4,253,171
Investment properties	39,046,173
Interests in equity-accounted investees	2,398,848
Properties held for sale	3,592,989
Properties under development	357,896
Available-for-sale financial assets	968,091
Financial assets at fair value through profit or loss	1,035,332
Loans and advances	2,148,481
Debtors, prepayments and deposits	831,108
Cash and cash equivalents	3,015,781
Other assets	188,575
Bank and other borrowings	(25,396,067)
Creditors, accruals and deposits received	(2,434,654)
Current, fixed, savings and other deposits of customers	(2,675,606)
Tax payable	(220,081)
Shareholders' advance	(2,792,342)
Deferred tax liabilities	(1,032,323)
Other financial liabilities	(117,186)
Non-controlling interests	(15,023,465)
	<u>9,094,936</u>
Group's attributable interest (Note)	<u>10,427,968</u>

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

# Corporate Information

## Board of Directors

### Executive Directors

Dr Stephen Riady (*Chairman*)

Mr John Luen Wai Lee, BBS, JP  
(*Chief Executive Officer*)

### Non-executive Director

Mr Leon Nim Leung Chan

### Independent non-executive Directors

Mr Albert Saychuan Cheok

Mr Victor Ha Kuk Yung

Mr King Fai Tsui

## Committees

### Audit Committee

Mr King Fai Tsui (*Chairman*)

Mr Leon Nim Leung Chan

Mr Albert Saychuan Cheok

Mr Victor Ha Kuk Yung

### Remuneration Committee

Mr King Fai Tsui (*Chairman*)

Dr Stephen Riady

Mr Leon Nim Leung Chan

Mr Albert Saychuan Cheok

Mr Victor Ha Kuk Yung

### Nomination Committee

Mr King Fai Tsui (*Chairman*)

Dr Stephen Riady

Mr Leon Nim Leung Chan

Mr Albert Saychuan Cheok

Mr Victor Ha Kuk Yung

## Secretary

Mr Kelsch Woon Kun Wong

## Auditor

Ernst & Young

## Principal Bankers

China CITIC Bank International Limited

Bank of China (Hong Kong) Limited

Standard Chartered Bank

The Bank of East Asia, Limited

## Solicitors

Howse Williams Bowers

## Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road

Pembroke HM 08

Bermuda

## Hong Kong Branch Share Registrar and Transfer Office

Tricor Tengis Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

## Registered Office

Clarendon House

Church Street

Hamilton HM 11

Bermuda

## Principal Place of Business

40th Floor, Tower Two

Lippo Centre

89 Queensway

Hong Kong

## Stock Code

655

## Website

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