LIPPO CHINA RESOURCES LIMITED
力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 156)

FINAL RESULTS
FOR THE YEAR ENDED 31ST MARCH, 2016
PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Directors of Lippo China Resources Limited (the "Company") announce the consolidated final results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31st March, 2016 together with the comparative figures for the corresponding period in 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31st March, 2016

	Note	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*3*	**2,531,572**	2,749,696
Cost of sales		**(1,376,505)**	(1,520,860)
Gross profit		**1,155,067**	1,228,836
Administrative expenses		**(815,829)**	(919,243)
Other operating expenses		**(464,114)**	(409,156)
Gain on disposal of subsidiaries		**430,335**	707,002
Net fair value gain on investment properties		**21,644**	49,084
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	*5*	**(188,291)**	4,914
Provisions for impairment losses on:			
Intangible assets	*6*	**(207,988)**	(2,792)
Exploration and evaluation assets		**(1,468)**	(95,410)
Associates	*7*	**(34,925)**	(7,988)
Available-for-sale financial assets	*7*	**(124,631)**	(28,460)
Properties under development		**—**	(59,968)
Loans and receivables	*7*	**(163,388)**	(4,904)
Finance costs		**(19,319)**	(20,651)
Share of results of associates		**(3,756)**	377
Share of results of joint ventures		**5,814**	5,489
Profit/(Loss) before tax	*5*	**(410,849)**	447,130
Income tax	*8*	**(38,440)**	(111,641)
Profit/(Loss) for the year		**(449,289)**	335,489
Attributable to:			
Equity holders of the Company		**(309,172)**	399,176
Non-controlling interests		**(140,117)**	(63,687)
		(449,289)	335,489
		HK cents	*HK cents*
Earnings/(Loss) per share attributable to equity holders of the Company	*9*		
Basic and diluted		**(3.37)**	4.35

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2016

	2016	2015
	HK$'000	*HK$'000*
Profit/(Loss) for the year	**(449,289)**	335,489
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	**(1,380)**	1,447
Share of exchange differences on translation of a foreign associate	**(960)**	224
Exchange differences on translation of foreign operations	**(39,560)**	(118,004)
Adjustments relating to disposal of foreign subsidiaries	**(10,249)**	(78,620)
Adjustments relating to cessation of foreign operations	**4,944**	—
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods and other comprehensive loss for the year, net of tax	**(47,205)**	(194,953)
Total comprehensive income/(loss) for the year	**(496,494)**	140,536
Attributable to:		
Equity holders of the Company	**(360,801)**	285,320
Non-controlling interests	**(135,693)**	(144,784)
	(496,494)	140,536

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2016

	Note	**2016** **HK$'000**	2015 HK$'000
Non-current assets			
Intangible assets		**208,721**	427,303
Exploration and evaluation assets		**1,017**	1,040
Fixed assets		**246,061**	343,368
Investment properties		**1,253,292**	1,238,691
Interests in associates		**17,839**	56,954
Interests in joint ventures		**17,204**	16,833
Available-for-sale financial assets		**173,252**	115,544
Loans and advances		**3,679**	1,582
Debtors, prepayments and deposits	*11*	**46,582**	67,487
Deferred tax assets		**8,028**	6,812
		1,975,675	2,275,614
Current assets			
Properties held for sale		**4,426**	5,639
Properties under development		**231,450**	598,352
Inventories		**248,774**	274,628
Loans and advances		**68,350**	8,082
Debtors, prepayments and deposits	*11*	**477,941**	451,616
Financial assets at fair value through profit or loss		**713,528**	314,467
Other financial asset		**18**	169
Tax recoverable		**5,127**	12,395
Restricted cash		**18,576**	22,700
Cash and bank balances		**1,921,905**	2,548,139
		3,690,095	4,236,187
Assets classified as held for sale	*12*	**39,543**	—
		3,729,638	4,236,187
Current liabilities			
Bank and other borrowings		**57,095**	302,280
Creditors, accruals and deposits received	*13*	**561,303**	575,157
Other financial liabilities		**4,168**	4,522
Tax payable		**211,533**	265,751
		834,099	1,147,710
Liabilities directly associated with assets classified as held for sale	*12*	**1,414**	—
		835,513	1,147,710
Net current assets		**2,894,125**	3,088,477
Total assets less current liabilities		**4,869,800**	5,364,091

	Note	**2016** *HK$'000*	2015 *HK$'000*
Non-current liabilities			
Bank and other borrowings		**511,826**	372,220
Creditors, accruals and deposits received	*13*	**25,711**	30,724
Deferred tax liabilities		**44,259**	53,854
		581,796	456,798
Net assets		**4,288,004**	4,907,293
Equity			
Equity attributable to equity holders of the Company			
Share capital		**1,705,907**	1,705,907
Reserves		**2,115,708**	2,597,578
		3,821,615	4,303,485
Non-controlling interests		**466,389**	603,808
		4,288,004	4,907,293

Note:

1. BASIS OF PREPARATION

This financial information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. The financial information also includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of the financial information are consistent with those used in the Group's audited financial statements for the year ended 31st March, 2015, except for the adoption of the revised HKFRSs as disclosed in Note 2 to the final results.

The unaudited financial information relating to the year ended 31st March, 2016 and the financial information relating to the year ended 31st March, 2015 included in this preliminary announcement of annual results for the year ended 31st March, 2016 does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31st March, 2015, 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 is as follows:

The financial statements for the year ended 31st March, 2016 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course.

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

The Company's auditor has reported on the financial statements of the Group for the year ended 31st March, 2015. 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.

2. CHANGES IN ACCOUNTING POLICIES

The Group has adopted the following revised HKFRSs for the first time for the current year:

Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs

The adoption of the above revised standards has had no significant impact on the Group's financial performance and financial position for the current and prior years.

The Group has not adopted any new and revised HKFRSs that have been issued but are not yet effective for the year ended 31st March, 2016.

3. 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.

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

	2016	2015
	HK$'000	*HK$'000*
Property rental income	**45,362**	53,446
Sales of properties	**—**	7,379
Interest income	**20,407**	35,233
Dividend income	**17,876**	5,656
Sales of goods	**1,640,670**	1,754,966
Sales of food and beverage	**618,948**	708,795
Fees charged to food court tenants	**140,082**	137,080
Other	**48,227**	47,141
	2,531,572	2,749,696

4. SEGMENT INFORMATION

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

(a) the property investment segment includes 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 customer 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.

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.

Year ended 31st March, 2016

	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	45,362	–	12,754	21,661	2,433,376	–	18,419	–	2,531,572
Inter-segment	5,974	–	–	–	–	–	–	(5,974)	–
Total	51,336	–	12,754	21,661	2,433,376	–	18,419	(5,974)	2,531,572
Segment results	55,602	344,494	12,754	(118,563)	(189,781)	(336,126)	13,529	–	(218,091)
	(Note (a))	*(Note (b))*			*(Note (c))*	*(Note (d))*			
Unallocated corporate expenses									(177,042)
Finance costs									(17,774)
Share of results of associates	–	–	–	–	–	(2,405)	(1,351)	–	(3,756)
Share of results of joint ventures	–	1,956	–	–	3,858	–	–	–	5,814
Loss before tax									(410,849)
Segment assets	1,412,329	233,419	615,021	1,856,517	1,448,117	68,748	14,392	–	5,648,543
Interests in associates	–	–	–	–	–	2,715	15,124	–	17,839
Interests in joint ventures	–	6,512	–	–	10,692	–	–	–	17,204
Unallocated assets									21,727
Total assets									5,705,313
Segment liabilities	260,008	262,348	–	189,920	508,545	98,715	24,124	(619,435)	724,225
Unallocated liabilities									693,084
Total liabilities									1,417,309
Other segment information:									
Capital expenditure *(Note (e))*	11	–	–	–	49,085	1,484	54	–	50,634
Depreciation	(5,915)	(300)	–	–	(73,168)	(122)	(570)	–	(80,075)
Amortisation of intangible assets	–	–	–	–	(11,690)	–	–	–	(11,690)
Interest income	–	–	12,754	5,414	1,512	–	727	–	20,407
Finance costs	–	–	–	–	(1,545)	–	–	–	(1,545)
Gain on disposal of subsidiaries	–	428,613	–	–	–	–	1,722	–	430,335
Provisions for impairment losses on:									
Intangible assets	–	–	–	–	(207,988)	–	–	–	(207,988)
Exploration and evaluation assets	–	–	–	–	–	(1,468)	–	–	(1,468)
Fixed assets	–	–	–	–	(8,392)	–	–	–	(8,392)
Associates	–	–	–	–	(1,528)	(33,397)	–	–	(34,925)
Available-for-sale financial assets	–	–	–	–	–	(124,631)	–	–	(124,631)
A property held for sale	(1,214)	–	–	–	–	–	–	–	(1,214)
Inventories	–	–	–	–	(22,736)	–	–	–	(22,736)
Loans and receivables	–	–	–	–	(3,935)	(159,453)	–	–	(163,388)
Fixed assets written off	–	–	–	–	(14,859)	–	–	–	(14,859)
Realised translation losses reclassified to the statement of profit or loss relating to cessation of foreign operations	–	–	–	–	(4,944)	–	–	–	(4,944)
Net fair value loss on financial instruments at fair value through profit or loss	–	(64,637)	–	(120,620)	(3,034)	–	–	–	(188,291)
Net fair value gain on investment properties	21,644	–	–	–	–	–	–	–	21,644
Unallocated:									
Capital expenditure *(Note (e))*									7
Depreciation									(1,692)
Finance costs									(17,774)

Year ended 31st March, 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	53,446	7,379	34,736	7,479	2,627,085	–	19,571	–	2,749,696
Inter-segment	5,869	–	–	–	–	–	–	(5,869)	–
Total	59,315	7,379	34,736	7,479	2,627,085	–	19,571	(5,869)	2,749,696
Segment results	780,860	(63,771)	34,736	8,044	(7,699)	(134,283)	15,731	–	633,618
	(Note (a))	*(Note (b))*			*(Note (c))*	*(Note (d))*			
Unallocated corporate expenses									(173,934)
Finance costs									(18,420)
Share of results of associates	–	–	–	–	(24)	(1,028)	1,429	–	377
Share of results of joint ventures	–	1	–	–	5,488	–	–	–	5,489
Profit before tax									447,130
Segment assets	1,370,576	628,712	2,307,229	348,199	1,699,970	37,728	11,429	–	6,403,843
Interests in associates	–	–	–	–	1,538	38,552	16,864	–	56,954
Interests in joint ventures	–	4,421	–	–	12,412	–	–	–	16,833
Unallocated assets									34,171
Total assets									6,511,801
Segment liabilities	607,580	699,245	–	326,980	532,257	395,782	426,921	(1,991,016)	997,749
Unallocated liabilities									606,759
Total liabilities									1,604,508
Other segment information:									
Capital expenditure *(Note (e))*	19,681	118	–	–	98,830	3,316	16	–	121,961
Depreciation	(2,441)	(683)	–	–	(81,014)	(149)	(468)	–	(84,755)
Amortisation of intangible assets	–	–	–	–	(16,885)	–	–	–	(16,885)
Interest income	–	–	34,736	–	139	–	358	–	35,233
Finance costs	–	–	–	–	(2,231)	–	–	–	(2,231)
Gain/(Loss) on disposal of:									
Subsidiaries	694,550	–	–	–	10,457	–	1,995	–	707,002
Available-for-sale financial assets	–	–	–	(7)	–	–	–	–	(7)
Provisions for impairment losses on:									
Intangible assets	–	–	–	–	(2,792)	–	–	–	(2,792)
Exploration and evaluation assets	–	–	–	–	–	(95,410)	–	–	(95,410)
Associates	–	–	–	–	–	(7,988)	–	–	(7,988)
Available-for-sale financial assets	–	–	–	–	(8,918)	(19,542)	–	–	(28,460)
Properties under development	–	(59,968)	–	–	–	–	–	–	(59,968)
A property held for sale	(1,354)	–	–	–	–	–	–	–	(1,354)
Inventories	–	–	–	–	(12,845)	–	–	–	(12,845)
Loans and receivables	(200)	–	–	–	(4,704)	–	–	–	(4,904)
Fixed assets written off	–	–	–	–	(332)	–	–	–	(332)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	–	–	–	6,723	(1,809)	–	–	–	4,914
Net fair value gain on investment properties	49,084	–	–	–	–	–	–	–	49,084
Unallocated:									
Capital expenditure *(Note (e))*									256
Depreciation									(1,900)
Finance costs									(18,420)

Note:

(a) The amount included net fair value gain on investment properties of HK$21,644,000 (2015 — HK$49,084,000). The amount in 2015 also included gain on disposal of subsidiaries of HK$694,550,000.

(b) The amount included gain on disposal of subsidiaries of HK$428,613,000 (2015 — Nil).

(c) The amount included provision for impairment losses on intangible assets of HK$207,988,000 (2015 — HK$2,792,000).

(d) The amount included provisions for impairment losses on associates, available-for-sale financial assets, loans and receivables and exploration and evaluation assets of HK$33,397,000 (2015 — HK$7,988,000), HK$124,631,000 (2015 — HK$19,542,000), HK$159,453,000 (2015 — Nil) and HK$1,468,000 (2015 — HK$95,410,000), respectively.

(e) Capital expenditure includes additions to fixed assets, investment properties and exploration and evaluation assets.

Geographical information

(a) Revenue from external customers

	2016	2015
	HK$'000	*HK$'000*
Hong Kong	**367,426**	395,062
Mainland China	**21,357**	39,962
Republic of Singapore	**1,588,502**	1,673,002
Malaysia	**538,178**	631,658
Other	**16,109**	10,012
	2,531,572	2,749,696

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

(b) Non-current assets

	2016	2015
	HK$'000	*HK$'000*
Hong Kong	**1,131,686**	1,178,089
Mainland China	**196,558**	199,166
Republic of Singapore	**358,232**	604,844
Malaysia	**21,798**	47,119
Other	**44,077**	76,438
	1,752,351	2,105,656

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

Information about a major customer

Revenue of approximately HK$421,580,000 for the year ended 31st March, 2016 (2015 — HK$426,274,000) was derived from sales by the food businesses segment to a single customer.

5. PROFIT/(LOSS) BEFORE TAX

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

	2016	2015
	HK$'000	*HK$'000*
Net fair value gain/(loss) on:		
Financial assets at fair value through profit or loss:		
Equity securities	**(124,963)**	8,413
Debt securities	**8,736**	—
Investment funds	**(76,150)**	(1,809)
	(192,377)	6,604
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	**354**	(1,345)
Derivative financial instruments	**3,732**	(345)
	(188,291)	4,914
Interest income:		
Financial assets at fair value through profit or loss	**5,414**	—
Loans and advances	**727**	358
Other	**14,266**	34,875
Gain/(Loss) on disposal of fixed assets	**(442)**	233
Provisions for impairment losses on:		
Fixed assets	**(8,392)**	—
A property held for sale	**(1,214)**	(1,354)
Inventories	**(22,736)**	(12,845)
Fixed assets written off	**(14,859)**	(332)
Depreciation	**(81,767)**	(86,655)
Amortisation of intangible assets	**(11,690)**	(16,885)
Foreign exchange losses — net	**(37,177)**	(3,483)
Realised translation losses reclassified to the statement of profit or loss relating to cessation of foreign operations	**(4,944)**	—
Cost of inventories sold:		
Properties	**—**	(5,219)
Others	**(1,347,362)**	(1,480,582)

6. PROVISION FOR IMPAIRMENT LOSSES ON INTANGIBLE ASSETS

The amount mainly represented the provisions for impairment losses on goodwill, the value of the trademark licence agreement and other intangible assets relating to the food businesses segment as a result from the business and operations review exercise to rationalise operations.

The trademark licence agreement relates to the right to use the "Delifrance" trademark granted under a licence agreement. For the year ended 31st March, 2016, the market's response to the brand revitalisation program for food retail business fell well below expectations. The increasing presence and intense competition from new brands with similar product offerings, lower demand as well as rising operating costs negatively affected the performance. Consequently, management 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. The rationalisation also resulted in a halt in new store expansion. Arising from these, prior year assumptions on growth rates and discount rate were reassessed and reduced to reflect the current assessment of future outlook in the impairment test. The recoverable amounts of the related cash-generating units have been determined based on value in use calculations using cash flow projections. This resulted in the recognition of an impairment loss of HK$207,988,000 (2015 – Nil) on the goodwill, trademark licence agreement and the unpatented technology in the consolidated statement of profit or loss. For the year ended 31st March, 2015, impairment assessment had been performed for the trademark of Malones Holdings Pte Ltd and an impairment loss of HK$2,792,000 was recognised as the Group intended to discontinue the restaurant in mainland China.

7. PROVISIONS FOR IMPAIRMENT LOSSES ON ASSOCIATES, AVAILABLE-FOR-SALE FINANCIAL ASSETS AND LOANS AND RECEIVABLES

The provisions for impairment losses on associates, available-for-sale financial assets, and loans and receivables for the year mainly related to the Group's interests in relation to CS Mining, LLC ("CS Mining"). CS Mining owns and controls a number of copper ore deposits located in the State of Utah in the U.S. (the "Mineral Deposits"), and is engaged in the business of mining and processing primarily copper.

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. Such equity investments were held through interests in associates and available-for-sale financial assets with carrying amounts of HK$28,353,000 and HK$124,631,000, respectively, before such impairment as at 31st March, 2016. Skye owns the majority shares of CS Mining. Besides, the Group has outstanding senior secured loans (the "Secured Loans") and unsecured loans (the "Unsecured Loans") due from CS Mining with carrying amounts of HK$180,193,000 and HK$36,829,000, respectively, before such impairment as at 31st March, 2016. The Secured Loans were the sole investments of Waterloo Street Limited ("Waterloo"), an indirect wholly-owned subsidiary of the Company, which was acquired by the Group. The Secured Loans carry interest at a rate based on US$ London Interbank Offered Rate plus a margin varying from 6 per cent. to 10 per cent. and are secured by, inter alia, certain properties, mining deposits and other assets owned by CS Mining. The Unsecured Loans carry interest at a rate of 10 per cent. per annum. Both the Secured Loans and the Unsecured Loans are currently in default. For segment reporting purpose, all the above investments are included in the Group's mineral exploration and extraction business segment.

Due to the deadlock among the investors of Skye, CS Mining is unable to secure further funding from its parent company for its operation. Based on the current predicament of CS Mining, the risk of it going into bankruptcy or receivership in the near future and the decline in copper prices, the management considered that the various investments relating to CS Mining had indicators of impairment. For the purpose of impairment testing as at 31st March, 2016, the management has performed the assessment with reference to the recoverable amount of the Group's interests in CS Mining based on fair value less costs of disposal. The assessment was performed by reference to an independent valuation of the Mineral Deposits taking into account the recent transaction values of similar mineral properties in an open market which is comparable to those reflective of the deposits of CS Mining, giving rise to the recent transaction yardstick of US$165 per tonne to US$654 per tonne of contained copper. Key assumptions of the valuation include the transaction values and the quantity of resources. Given that each transaction may have its own specific criteria, term and conditions, the determination of the recoverable amount is relatively sensitive to such implications and changes in these key assumptions.

As a result of the risk of CS Mining going into bankruptcy or receivership in the near future and the uncertainties on the results of the court cases which involved CS Mining and the various parties (details as disclosed in Note 14 of the final results), the management has assessed the impairment required for the year ended 31st March, 2016 with reference to the potential recoverable amount upon sale of the business on a liquidation basis. Currently, apart from the Secured Loans and the Unsecured Loans, CS Mining is indebted to another lender a secured convertible loan in a principal amount of approximately HK$155,000,000 (which is in dispute) and other trade creditors. As the valuation of the Mineral Deposits of CS Mining cannot cover all its creditors' claims, full provision for impairment loss was made against the Group's equity investments, comprising of HK$28,353,000 and HK$124,631,000 for the interests in associates and available-for-sale financial assets, respectively. Besides, after taking into account the uncertainty on the estimated final payments receivable by the secured and unsecured creditors, the Group considered it could have a reasonable chance to receive approximately HK$58,151,000 in respect of the Secured Loans which constituted a priority claim over the unsecured creditors upon liquidation. The management has also considered that it is unlikely that the Secured Loans will be recharacterised as equity or equitably subordinated to the claims of CS Mining's other creditors after consultation with the US lawyer. Hence, provisions for impairment on loans and receivables in a total of HK$159,453,000 are charged to the consolidated statement of profit or loss for the year, including the full provision for impairment loss on the Unsecured Loans.

For disclosure purposes, all assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value hierarchy for the valuation is Level 3.

8. INCOME TAX

	2016	2015
	HK$'000	*HK$'000*
Hong Kong:		
Charge for the year	**4,887**	7,821
Overprovision in prior years	**(256)**	(10)
Deferred	**(1,329)**	(512)
	3,302	7,299
Overseas:		
Charge for the year	**46,465**	107,363
Overprovision in prior years	**(5,060)**	(7,268)
Deferred	**(6,267)**	4,247
	35,138	104,342
Total charge for the year	**38,440**	111,641

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 year. 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 year 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 year.

(b) Diluted earnings/(loss) per share

The Group had no potentially dilutive ordinary shares in issue during the years ended 31st March, 2016 and 2015.

10. DIVIDENDS

	2016	2015
	HK$'000	*HK$'000*
Interim dividend, declared, of HK0.2 cent (2015 — HK0.2 cent) per ordinary share	**18,374**	18,374
Special interim dividend, declared, of HK0.4 cent per ordinary share	**—**	36,748
Final dividend, proposed, of HK0.75 cent (2015 — HK0.75 cent) per ordinary share	**68,902**	68,902
Special final dividend, declared, of HK0.3 cent per ordinary share	**—**	27,561
	87,276	151,585

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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:

	2016	2015
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days	**174,518**	130,949
Between 31 and 60 days	**111,178**	111,662
Between 61 and 90 days	**61,514**	92,569
Between 91 and 180 days	**24,363**	26,312
Over 180 days	**1,812**	715
	373,385	362,207

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

12. ASSETS/(LIABILITIES) CLASSIFIED AS HELD FOR SALE

During the year, 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 of Lippo Centre (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, have been classified as assets and liabilities held for sale and are presented separately in the consolidated statement of financial position. The consideration of the disposal exceeds the carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

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

	2016 ***HK$'000***
Fixed assets	**39,304**
Deposits paid	**239**
Total assets classified as held for sale	**39,543**
Accrual	**65**
Deferred tax liabilities	**1,349**
Total liabilities classified as held for sale	**1,414**
Net assets	**38,129**

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

13. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

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

	2016 ***HK$'000***	2015 *HK$'000*
Outstanding balances with ages:		
Within 30 days	**173,772**	174,597
Between 31 and 60 days	**17,548**	22,739
Between 61 and 90 days	**5,111**	1,741
Between 91 and 180 days	**5,754**	11,838
Over 180 days	**2,342**	3,307
	204,527	214,222

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

14. EVENTS AFTER THE REPORTING PERIOD

(a) The Superform Disposal, details of which were disclosed in Note 12 to the final results. It is expected that the Superform Disposal would give rise to a gain on disposal of approximately HK$331,772,000, which shall be recorded in the consolidated statement of profit or loss for the year ending 31st March, 2017.

(b) In February 2016, a lender of CS Mining issued a notice to Waterloo of its intention to institute enforcement proceedings against CS Mining. The lender had granted a secured convertible loan to CS Mining in a principal amount of approximately US$20 million (the "Loan") that it claimed was due and payable. A complaint was filed by Waterloo against the lender of the Loan to claim that the lender has failed to honor its contractual obligation to take all necessary steps to convert the Loan into an equity interest in CS Mining's parent company and release the security over CS Mining's assets, and to seek a permanent injunction restraining the lender from taking any action to foreclose the security. The lender filed an answer to the complaint in March 2016, to which Waterloo responded and filed an amended complaint in April 2016. Subsequently, the lender delivered notice of its intention to foreclose its purported liens on CS Mining property.

In May 2016, certain investors of Skye in which the Group has equity interests (the "Group Entities") filed a petition against other investors of Skye to seek appointment of a custodian or receiver for the purpose of breaking the deadlock among the members of Skye and apply for an order to stay creditors action against CS Mining. However, as a result of the Involuntary Petition (as defined below), the hearing of this case has been adjourned, pending CS Mining's response to the Involuntary Petition.

In early June 2016, an involuntary bankruptcy petition was filed by certain creditors against CS Mining pursuant to Chapter 11 of the United States Bankruptcy Code (the "Involuntary Petition"). Such Involuntary Petition triggered an automatic stay to protect against any enforcement or collection actions against CS Mining, including the lender action mentioned above.

Also, in early June 2016, a complaint was filed by certain investors of Skye against the Group Entities, Waterloo and others in a court in the United States claiming, among others, damages allegedly suffered by CS Mining in relation to the acquisition by Waterloo of the Secured Loans (the "Complaint").The Complaint has not been served on any of the Group Entities. As advised by the U.S. counsel of the Group, it is believed that there are valid grounds for dismissal of the Complaint. The Group is considering further actions to be taken in respect of the Involuntary Petition and the Complaint.

BUSINESS REVIEW

Overview

The global economy deteriorated in the year 2015, amid financial market volatility around the world, falling commodity prices, weak demand and gloomy economic outlook for mainland China. The instability in global stock markets adversely affected the general economic climate. The sharp stock market correction in mainland China and devaluation of the Renminbi dampened investor confidence in the region.

Mainland China continues to be the leading economic performer in the region, despite its National Bureau of Statistics reported disappointing investment and export figures. A 6.9 per cent. growth in gross domestic product was recorded for the year 2015, the lowest in the last 25 years. Although the Central Government reacted decisively and promptly embarked on intervention policies to stabilise the market, the pace of economic growth in mainland China decelerated further.

Results for the Year

The Company (together with its subsidiaries, the "Group") recorded a consolidated loss attributable to shareholders of approximately HK$309 million for the year ended 31st March, 2016 (the "Year"), as compared to a consolidated profit of HK$399 million for the year ended 31st March, 2015 (the "Last Year" or "2015"). The loss for the Year was mainly attributable to provisions for impairment losses on investments related to a mining project and intangible assets and the net fair value loss on financial instruments at fair value through profit or loss.

Revenue for the Year totalled HK$2,532 million (2015 — HK$2,750 million). Food businesses were the principal sources of revenue of the Group, representing 96 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"). 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$2,433 million (2015 — HK$2,627 million), mainly from wholesale and distribution of fast-moving consumer goods and the food retail operations in chains of bakeries, cafes and bistros.

The APG Group continued its businesses and operations review exercise to rationalise the non-performers in the restaurant and food retail businesses with the objective of building sustainable growth in revenue and profits. During the Year, the market's response to the brand revitalisation program for food retail business fell well below expectations. The increasing presence and intense competition from new brands with similar product offerings, lower demand as well as rising operating costs negatively affected the performance. Consequently, management 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. The rationalisation also resulted in a halt in new store expansion. This has resulted in some exceptional items being undertaken during the Year, mainly the impairment of intangible assets of HK$208 million

(2015 — HK$3 million). As a result, the segment recorded a loss of HK$190 million for the Year (2015 — HK$8 million). Excluding these exceptional items, the APG Group achieved an operating profit of HK$47 million for the Year, an improvement of profitability as compared with the Last Year.

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, and the operation of food courts. The Group will further strengthen its core house brands by exploring new channels of communication to consumers and by expanding its range of product offerings. With the rationalisation of its non-profitable food retail courts, the APG Group will further develop its core expertise in food court management.

Property investment

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

As a result of various disposals completed during the previous financial years, total segment revenue from the property investment business for the Year decreased to HK$51 million (2015 — HK$59 million). Coupled with the decrease in net fair value gain on investment properties for the Year, the segment profit decreased to HK$56 million for the Year (2015 — HK$781 million, which included non-recurring gain on disposal of subsidiaries of HK$695 million).

In March 2016, the Group entered into an agreement for the disposal of an office floor in Hong Kong. The above disposal was completed in May 2016 and the total consideration of approximately HK$372 million was received and it is expected that a gain of disposal of approximately HK$332 million shall be recorded in the accounts for the year ending 31st March, 2017.

Property development

The Group primarily focuses on property development projects in mainland China. The Group undertakes strategic review of its assets from time to time for maximising return to its shareholders which may include possible sale of certain property development projects.

In September 2015, the Group entered into an agreement for the disposal of its entire equity interest in a wholly-owned subsidiary, 福建大地湄洲工業區開發有限公司 (Fujian Tati Meizhou Industrial Park Development Co., Ltd.) ("Fujian Tati"), for a consideration of approximately RMB235.8 million (subject to adjustments). The Group also entered into an agreement to assign the debt due from Fujian Tati to the Group in an amount of RMB131.6 million (the "Debt") to the buyer of Fujian Tati at a consideration equal to the amount of the Debt. The principal assets of Fujian Tati are the property interests situated at Shanting Township, Xiuyu District, Putian City, Fujian Province, the People's Republic of China (the "PRC"). The disposal of Fujian Tati was subsequently completed in December 2015. The above disposal gave rise to a non-recurring gain on disposal of subsidiary of approximately HK$422 million. The above disposal provided a good opportunity for the Group to realise its investments in Fujian Tati at a profit and furthermore, the above disposal would enable the Group to free up capital for its operations and investment purposes when such opportunities arise.

In November 2015, the Group entered into an agreement for the disposal of its entire interest in Bestbeat Limited ("Bestbeat") for a consideration of approximately HK$277.9 million which was settled by the allotment and issue of 646,366,795 new shares in Gemdale Properties and Investment Corporation Limited ("Gemdale") at an issue price of HK$0.43 per share (the "Consideration Shares"). All the Consideration Shares were disposed of in March 2016. 力寶置業(江蘇)有限公司 (Lippo Realty (Jiangsu) Limited), a wholly-owned subsidiary of Bestbeat, has been granted the land use rights of a piece of land located in Huai'an City, Jiangsu Province, the PRC with a site area of approximately 41,000 square metres. Gemdale is a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. The above disposals would provide a good chance for the Group to realise its direct investment in the property development project in Huai'an City of the PRC in return of cash, thereby enhancing the liquidity of the Group. As a result of the above disposals, the Group recognised a net loss of HK$59 million during the Year, comprising a gain on disposal of subsidiaries of approximately HK$6 million and fair value loss on financial assets at fair value through profit or loss of HK$65 million.

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.

With the contribution from the disposal of certain property development projects during the Year, the segment profit increased to HK$344 million for the Year (2015 — loss of HK$64 million) and the segment asset decreased to HK$233 million (2015 — HK$629 million).

Treasury and securities investments

Treasury and securities investments businesses recorded a total revenue of HK$34 million during the Year (2015 — HK$42 million), mainly attributable to the interest and dividend income received from the investment portfolio.

Following the disposal of various property interests, the Group has surplus cash on hand. In order to maximise the return on such surplus funds which are retained for the Group's business and for future investment opportunities, the Group has increased its treasury and securities investments during the Year through the investment of such surplus fund in various securities and investment funds. The segment assets of the securities investment business increased to HK$1.9 billion as at 31st March, 2016 (2015 — HK$0.3 billion).

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. However, due to the substantial downturn of the global stock market in the third quarter of the year 2015, the Group recorded net fair value loss on its investment portfolio. The net fair value loss of the securities investment segment included HK$60 million loss on listed equity securities, HK$9 million gain on bonds, HK$74 million loss on investment funds and HK$4 million gain on other financial instruments. As a result, the treasury and securities investments businesses recorded a net loss of HK$106 million for the Year (2015 — profit of HK$43 million).

Details of the top 4 financial assets that made up the net fair value loss of the Group's financial assets at fair value through profit or loss for the Year were as follows:

	Year ended 31st March, 2016		As at 31st March, 2016			As at 31st March, 2015
	Net fair value loss	Approximate percentage of net fair value loss on financial assets at fair value through profit or loss	Fair value	Approximate percentage of financial assets at fair value through profit or loss	Approximate percentage to the net assets	Fair value
	HK$'000		*HK$'000*			*HK$'000*
GSH Corporation Limited ("GSH")	(54,939)	29%	107,167	15%	2%	162,106
iShares MSCI Emerging Market ETF ("EEM US")	(20,819)	11%	—	0%	0%	—
iShares MSCI Emerging Markets UCITS ETF ("IEEM LN")	(15,391)	8%	6,213	1%	0%	—
iShares MSCI World UCITS ETF ("IWDA LN")	(14,160)	7%	32,615	5%	1%	—
Others *(Note)*	(87,068)	45%	567,533	79%	13%	152,361
	(192,377)	100%	713,528	100%	16%	314,467

Note: Others included fair value loss of HK$65 million for the Consideration Shares in relation to the disposal of Bestbeat, which was managed under the property development business segment. Save as aforesaid, others comprised of more than 100 securities, none of which accounted for more than 5 per cent. of the net fair value loss for the Year.

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

EEM US is listed in New York and IEEM LN is listed in London, both of which track on index composed of companies from emerging markets. As reported by the Group's investment advisor, sentiment around emerging market equities took a further downturn when the PRC announced a small but sudden Renminbi depreciation and this unexpected development fed investors' worst fears that the PRC might devalue her currency as a means of speeding up economic growth and hence returns from EEM US and IEEM LN during the Year was not satisfactory. While a weaker US dollar and rebound in commodities were supportive of emerging market equities recently (especially the commodities exporters), the macro environment is still challenging. Concern about capital outflow and Renminbi depreciation may well keep investors on the side-line for now. Unless there is a turnaround in these fundamentals, emerging market equities will likely remain challenging.

IWDA LN is a listed ETF in London that tracks the developed market equity portfolio benchmark. As reported by the Group's investment advisor, the loss during the Year was due to the negative sentiment surrounding emerging markets and the PRC spilled over in the midst of lacklustre corporate earnings and general investor caution ahead of the Federal Open Market Committee meeting during the first half of the Year. Although slower global growth and political concerns kept developed market central bank monetary policy very accommodative, rich valuations and weak corporate profits capped the upside for developed market equities. Historically, multiple contraction is expected after the first Fed rate hike. It is expected that developed market equities to remain range bound, stuck between the forces of plentiful liquidity and a poor corporate earnings outlook.

In view of the uncertain prospects of EEM US, IEEM LN and IWDA LN, the Group had divested a substantial part of these investments during the Year.

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

Mineral exploration and extraction

Asia Now Resources Corp. ("Asia Now"), in which the Group is interested in approximately 52.2 per cent. of its issued share capital, was primarily engaged in the business of exploration of mineral deposits in Yunnan Province, mainland China. In June 2015, the special resolution for approving the arrangement agreement in respect of the proposed acquisition for all of the issued and outstanding common shares of Asia Now not already owned by China Gold Pte. Ltd. ("China Gold"), a wholly-owned subsidiary of the Company, was not approved by the requisite shareholder approval. In connection with the proposed acquisition, China Gold had provided a secured loan to Asia Now of approximately C$1.1 million which was subsequently in default. In August 2015, China Gold filed an application to appoint a receiver over all of the assets of Asia Now so as to enforce its security against Asia Now. Following the entering of the receivership, in September 2015, the listing of Asia Now was transferred from TSX Venture Exchange of Canada ("TSXVE") to NEX, a separate board of TSXVE which provides a trading forum for listed companies in Canada that have fallen below TSXVE's ongoing financial listing standards. Shares of Asia Now were suspended from trading. Subsequently, China Gold had acquired all the assets of Asia Now on 31st December, 2015 for a consideration of C$2.2 million. The receivership of Asia Now was completed in April 2016.

CS Mining, LLC ("CS Mining"), a majority owned subsidiary of Skye Mineral Partners, LLC ("Skye"), owns and controls a number of copper ore deposits located in the State of Utah in the U.S., and is engaged in the business of mining and processing primarily copper. 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. During the Year, the Group acquired the entire issued share capital of, and the shareholder's loan to, Waterloo Street Limited ("Waterloo") for an aggregate cash consideration of approximately US$23 million. As at the date of the above acquisition, the sole investments of Waterloo was the secured loans due from CS Mining in an aggregate principal amount of US$29.75 million together with accrued interest of approximately US$3.4 million (the "Secured Loans"). Interest on the Secured Loans accrues at a rate based on US$ London

Interbank Offered Rate plus a margin varying from 6 per cent. to 10 per cent. and the Secured Loans are secured by, inter alia, certain properties and assets and mining deposits owned by CS Mining. Due to the deadlock among the investors of Skye, CS Mining is unable to secure further funding for its operation. In early June 2016, a bankruptcy petition was filed by certain creditors against CS Mining pursuant to Chapter 11 of the United States Bankruptcy Code (the "Involuntary Petition"). Such Involuntary Petition triggered an automatic stay to protect against any enforcement or collection actions against CS Mining. CS Mining shall consider whether to accept the Involuntary Petition and proceed with the bankruptcy case or to contest its validity. Also, in early June 2016, a complaint was filed by certain investors of Skye in a court in the United States for, among others, damages allegedly suffered by CS Mining in relation to the acquisition by Waterloo (an indirect wholly-owned subsidiary of the Company) of the Secured Loans (the "Complaint"). The Complaint has not been served on the entities of the Group. As advised by the U.S. counsel of the Group, it was believed that there are valid grounds for dismissal of the Complaint. The Group is considering further actions to be taken in respect of the Involuntary Petition and the Complaint.

In view of the current predicament of CS Mining, the risk of it going into bankruptcy or receivership in the near future and the decline in copper prices, the Group recorded impairment losses of HK$312 million in the consolidated statement of profit or loss for the Year, comprising impairment for interests in associates, available-for-sale financial assets, and loans and receivables of HK$28 million, HK$125 million, and HK$159 million, respectively.

Financial Position

The Group's financial position remained healthy. As at 31st March, 2016, its total assets amounted to HK$5.7 billion (2015 — HK$6.5 billion). Due to the disposal of certain property holding companies during the Year, property-related assets decreased to HK$1.7 billion as at 31st March, 2016 (2015 — HK$2.0 billion), representing 29 per cent. (2015 — 31 per cent.) of the total assets. As a result of the new investments in various financial instruments, total cash and bank balances as at 31st March, 2016 decreased to HK$1.9 billion (2015 — HK$2.5 billion). Total liabilities amounted to HK$1.4 billion (2015 — HK$1.6 billion). The Group maintained a strong cash position. Current ratio as at the end of the reporting period increased to 4.5 (2015 — 3.7).

As at 31st March, 2016, bank and other borrowings of the Group decreased to HK$569 million (2015 — HK$675 million), resulting from the repayment of bank loans using the surplus funds received from sale of properties. Bank loans amounted to HK$567 million as at 31st March, 2016 (2015 — HK$672 million), which comprised secured bank loans of HK$550 million (2015 — HK$634 million) and unsecured bank loans of HK$17 million (2015 — HK$38 million) and were denominated mainly in Hong Kong dollars, Malaysian Ringgit and Singapore dollars. The bank loans were secured by certain properties and certain bank deposits of the Group. All of the bank borrowings carried interest at floating rates. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure.

The Group has obligations under finance leases for certain fixed assets which amounted to HK$2 million as at 31st March, 2016 (2015 — HK$3 million). These obligations are secured by the rights to the leased fixed assets. As at 31st March, 2016, approximately 10 per cent. (2015 — 45 per cent.) of the bank and other borrowings were repayable within one year. As at 31st March, 2016, the gearing ratio (measured as total borrowings, net of non-controlling interests, to shareholders' funds) was 14.6 per cent. (2015 — 15.1 per cent.). The net cash position, measured as cash and bank balances less total bank and other borrowings of the Group as at 31st March, 2016 was HK$1,353 million (2015 — HK$1,874 million).

The net asset value attributable to equity holders of the Group remained strong and amounted to HK$3.8 billion as at 31st March, 2016 (2015 — HK$4.3 billion). This was equivalent to HK42 cents per share (2015 — HK47 cents per share). The decrease was mainly attributable to the loss incurred for the Year and the payment of dividends during the Year.

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

The Group had bankers' guarantees of approximately HK$44 million as at 31st March, 2016 (2015 — HK$41 million) issued in lieu of rental and utility deposits for the premises used for operation of food businesses. Approximately 66 per cent. (2015 — 86 per cent.) of the bankers' guarantees were secured by certain bank deposits of the Group. Aside from the abovementioned, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Year (2015 — Nil).

As at 31st March, 2016, the Group's commitment amounted to HK$132 million (2015 — HK$157 million), mainly related to the property development projects and securities investments of the Group. The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

Staff and Remuneration

The Group had 2,231 employees as at 31st March, 2016 (2015 — 2,997 employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss during the Year amounted to HK$514 million (2015 — HK$582 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

Global economic growth is expected to remain modest and uneven, and outlook remains clouded with considerable uncertainties and downside risks, including the extent and timing on the increase in the U.S. interest rates, and the economic growth of mainland China and the impact of geopolitical tension in various regions. United Kingdom's decision to leave the European Union has added a new element of uncertainty to the global economic and political climate. Hopefully, the quantitative easing programmes adopted by, among others, the European Central Bank, Japan and mainland China and 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 and will manage its businesses and investment portfolio with a view to further improving its businesses and overall asset quality. The Group will also continue to manage its assets and assess new investment opportunities with prudence to achieve stable growth and enhance shareholders' value.

DIVIDENDS

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting (the "2016 AGM") the payment of a final dividend of HK0.75 cent per share (2015 — HK0.75 cent per share and a special final dividend of HK0.3 cent per share) amounting to approximately HK$68.9 million for the year ended 31st March, 2016 (2015 — approximately HK$96.5 million (including special final dividend)). Together with the interim dividend of HK0.2 cent per share (For the six months ended 30th September, 2014 — HK0.2 cent per share and a special interim dividend of HK0.4 cent per share) paid on 28th January, 2016, total dividends for the year ended 31st March, 2016 will be HK0.95 cent per share (2015 — HK1.65 cent per share) amounting to approximately HK$87.3 million (2015 — approximately HK$151.6 million (including special interim and final dividends)). Subject to the approval of shareholders at the 2016 AGM, the final dividend will be paid on or about Thursday, 6th October, 2016 to shareholders whose names appear on the Register of Members on Thursday, 15th September, 2016.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed during the following periods:

(i) from Monday, 29th August, 2016 to Thursday, 1st September, 2016 (both dates inclusive) during which period no transfer of share will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2016 AGM. In order to be entitled to attend and vote at the 2016 AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 26th August, 2016; and

(ii) from Monday, 12th September, 2016 to Thursday, 15th September, 2016 (both dates inclusive) during which period no transfer of share will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 9th September, 2016.

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

During the year ended 31st March, 2016, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

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

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31st March, 2016.

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 consolidated financial statements of the Company for the year ended 31st March, 2016.

PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

The new Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "new CO") which came into effect in March 2014 provides a modernized legal framework for the incorporation and operation of companies in Hong Kong. In order to bring the Company's articles of association (the "Articles") in line with the new CO, the Board of Directors of the Company proposes to adopt a new set of Articles (the "Proposed Adoption").

The Proposed Adoption is subject to the approval of the shareholders of the Company by way of special resolution at the 2016 AGM. A circular containing, among other things, the notice of 2016 AGM and an explanatory statement on the Proposed Adoption will be despatched to the shareholders of the Company as soon as practicable.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st March, 2016 (the "Year") as set out in this preliminary announcement have been agreed by the Group's independent auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary announcement.

By Order of the Board
Lippo China Resources Limited
John Luen Wai Lee
Chief Executive Officer

Hong Kong, 29th June, 2016

As at the date of this announcement, the Board of Directors of the Company comprises seven directors, of which Dr. Stephen Riady (Chairman) and Messrs. John Luen Wai Lee (Chief Executive Officer) and James Siu Lung Lee as executive Directors, Mr. Leon Nim Leung Chan as non-executive Director and Messrs. Edwin Neo, King Fai Tsui and Victor Ha Kuk Yung as independent non-executive Directors.