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, 2017

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, 2017 together with the comparative figures for the corresponding period in 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31st March, 2017

	Note	**2017** **HK$'000**	2016 HK$'000 (Restated)
Revenue	*4*	**2,461,337**	2,531,572
Cost of sales		**(1,341,555)**	(1,376,505)
Gross profit		**1,119,782**	1,155,067
Administrative expenses		**(737,564)**	(815,829)
Other operating expenses		**(389,256)**	(465,582)
Gain on disposal of subsidiaries		**333,865**	430,335
Net fair value gain on investment properties		**63,810**	21,644
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	*6*	**189,925**	(188,291)
Provisions for impairment losses on:			
Intangible assets		**(11,976)**	(238,915)
Loans and receivables	*7*	**(69,228)**	(163,388)
Available-for-sale financial assets	*7*	**(13,402)**	(124,631)
Associates	*7*	**(102)**	(34,925)
Finance costs		**(17,697)**	(19,319)
Share of results of associates		**(1,689)**	(3,756)
Share of results of joint ventures		**2,945**	5,814
Profit/(Loss) before tax	*6*	**469,413**	(441,776)
Income tax	*8*	**(31,430)**	(7,513)
Profit/(Loss) for the year		**437,983**	(449,289)
Attributable to:			
Equity holders of the Company		**387,785**	(309,172)
Non-controlling interests		**50,198**	(140,117)
		437,983	(449,289)
		HK cents	*HK cents*
Earnings/(Loss) per share attributable to equity holders of the Company	*9*		
Basic and diluted		**4.22**	(3.37)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2017

	2017	2016
	HK$'000	*HK$'000*
Profit/(Loss) for the year	**437,983**	(449,289)
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	**22,430**	(1,380)
Adjustment for impairment losses	**398**	—
	22,828	(1,380)
Exchange differences on translation of foreign operations	**(70,082)**	(39,560)
Exchange differences reclassified to profit or loss upon:		
Disposal of foreign subsidiaries	**(1,568)**	(10,249)
Cessation of foreign operations	**—**	4,944
Deemed disposal of a foreign associate	**353**	—
	(1,215)	(5,305)
Share of other comprehensive loss of an associate	**(352)**	(960)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods and other comprehensive loss for the year, net of tax	**(48,821)**	(47,205)
Total comprehensive income/(loss) for the year	**389,162**	(496,494)
Attributable to:		
Equity holders of the Company	**370,763**	(360,801)
Non-controlling interests	**18,399**	(135,693)
	389,162	(496,494)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31st March, 2017

	Note	**31st March, 2017** **HK$'000**	31st March, 2016 HK$'000 (Restated)	1st April, 2015 HK$'000 (Restated)
Non-current assets				
Intangible assets		**198,765**	224,983	474,382
Exploration and evaluation assets		**1,099**	1,017	1,040
Fixed assets		**178,217**	246,061	343,368
Investment properties		**1,370,971**	1,253,292	1,238,691
Interests in associates		**15,245**	17,839	56,954
Interests in joint ventures		**13,616**	17,204	16,833
Available-for-sale financial assets		**310,398**	173,252	115,544
Loans and advances		**—**	3,679	1,582
Debtors, prepayments and deposits	*11*	**55,454**	46,582	67,487
Deferred tax assets		**5,223**	8,028	6,812
		2,148,988	1,991,937	2,322,693
Current assets				
Properties held for sale		**3,603**	4,426	5,639
Properties under development		**—**	231,450	598,352
Inventories		**237,657**	248,774	274,628
Loans and advances		**19,583**	68,350	8,082
Debtors, prepayments and deposits	*11*	**403,917**	477,941	451,616
Financial assets at fair value through profit or loss		**1,028,157**	713,528	314,467
Other financial asset		**—**	18	169
Tax recoverable		**3,330**	5,127	12,395
Restricted cash	*12*	**888,422**	18,576	22,700
Time deposits with original maturity of more than three months		**45,434**	—	—
Cash and cash equivalents		**1,538,558**	1,921,905	2,548,139
		4,168,661	3,690,095	4,236,187
Assets classified as held for sale	*13*	**197,051**	39,543	—
		4,365,712	3,729,638	4,236,187
Current liabilities				
Bank and other borrowings		**1,065,467**	57,095	302,280
Creditors, accruals and deposits received	*14*	**566,096**	561,303	575,157
Other financial liabilities		**4,520**	4,168	4,522
Tax payable		**217,680**	211,533	265,751
		1,853,763	834,099	1,147,710
Liabilities directly associated with assets classified as held for sale	*13*	**379**	1,414	—
		1,854,142	835,513	1,147,710
Net current assets		**2,511,570**	2,894,125	3,088,477
Total assets less current liabilities		**4,660,558**	4,886,062	5,411,170

	Note	**31st March, 2017** *HK$'000*	31st March, 2016 *HK$'000* (Restated)	1st April, 2015 *HK$'000* (Restated)
Non-current liabilities				
Bank and other borrowings		**1,261**	511,826	372,220
Creditors, accruals and deposits received	*14*	**21,066**	25,711	30,724
Deferred tax liabilities		**49,347**	60,521	100,933
		71,674	598,058	503,877
Net assets		**4,588,884**	4,288,004	4,907,293
Equity				
Equity attributable to equity holders of the Company				
Share capital		**1,705,907**	1,705,907	1,705,907
Reserves		**2,399,048**	2,115,708	2,597,578
		4,104,955	3,821,615	4,303,485
Non-controlling interests		**483,929**	466,389	603,808
		4,588,884	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, 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, 2016, except for the adoption of the new and revised HKFRSs as disclosed in Note 2 to the final results.

The unaudited financial information relating to the year ended 31st March, 2017 and the financial information relating to the year ended 31st March, 2016 included in this preliminary announcement of annual results for the year ended 31st March, 2017 does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31st March, 2016, 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, 2017 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, 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on the financial statements of the Group for the year ended 31st March, 2016. 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 new and revised HKFRSs for the first time for the current year's final results:

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

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

Determination of expected manner of recovery of indefinite life intangible assets when measuring deferred tax

The Group previously recognised deferred tax on indefinite life intangible assets on the presumption that the carrying amount of the indefinite life intangible assets is recovered through sale as the indefinite life intangible assets are not amortised.

In 2016, the IFRS Interpretations Committee (IFRIC) issued an agenda decision which observes that the reason for not amortising an indefinite life intangible asset is not because there is no consumption of the future economic benefits embodied in the asset. Therefore, the determination of tax consequences of indefinite life intangible assets shall reflect the expected manner of recovery of the carrying amount of the assets either through use or through sale. Based on the IFRIC agenda decision, the Group has reassessed and determined that the carrying amount of the indefinite life intangible assets is to be recovered through use.

The change in accounting policy has been applied retrospectively. The effects of the change are as follows:

	2017	2016
	HK$'000	*HK$'000*
Consolidated statement of profit or loss		
Increase in provision for impairment loss on intangible assets	**—**	(30,927)
Decrease in income tax expense	**—**	30,927
Change in profit/(loss) for the year and total comprehensive income/(loss) for the year	**—**	—

The change in accounting policy did not have any impact on the earnings/(loss) per share attributable to equity holders of the Company for the years ended 31st March, 2017 and 2016.

	31st March, 2017	31st March, 2016	1st April, 2015
	HK$'000	*HK$'000*	*HK$'000*
Consolidated statement of financial position			
Increase in intangible assets and total non-current assets	**15,737**	16,262	47,079
Increase in deferred tax liabilities and total non-current liabilities	**(15,737)**	(16,262)	(47,079)
Change in net assets	**—**	—	—

3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 9	*Financial Instruments*[2]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*[2]
HKFRS 16	*Leases*[3]
Amendments to HKAS 7	*Disclosure Initiative*[1]
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]
Amendments to HKAS 40	*Transfers of Investment Property*[2]
Amendments to HKFRS 12 included in *Annual improvements 2014-2016 Cycle*	*Disclosure of Interests in Other Entities*[1]
Amendments to HKFRS 1 included in *Annual improvements 2014-2016 Cycle*	*First-time Adoption of Hong Kong Financial Reporting Standards*[2]
Amendments to HKAS 28 included in *Annual improvements 2014-2016 Cycle*	*Investment in Associates and Joint Ventures*[2]
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*[2]

1 Effective for annual periods beginning on or after 1st January, 2017
2 Effective for annual periods beginning on or after 1st January, 2018
3 Effective for annual periods beginning on or after 1st January, 2019
4 No mandatory effective date yet determined but available for adoption

Other than as disclosed below, the Directors of the Company anticipate that the application of the other new and revised HKFRSs will have no significant impact on the financial performance and the financial position of the Group.

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1st April, 2018. During the year, the Group performed a high-level assessment of the impact of the adoption of HKFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. The expected impacts arising from the adoption of HKFRS 9 are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised. Besides, certain available-for-sale financial assets issued by private entities are currently measured at cost less impairment because the range of reasonable fair value estimates is so significant. Such available-for-sale financial assets will be measured at fair value through other comprehensive income upon adoption of HKFRS 9.

(b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group expects to apply the simplified approach and record twelve-month expected losses on all trade receivables. The Group will perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on its trade and other receivables upon the adoption of HKFRS 9.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt HKFRS 15 on 1st April, 2018.

During the year, the Group performed a preliminary assessment on the impact of the adoption of HKFRS 15 which is subject to changes arising from a more detailed ongoing analysis. Contract that contains two or more performance obligations would be accounted for separately and this might have an impact on the pattern of revenue and profit recognition. The Group also expects a change in presentation to show refund liability separately from the asset recoverable for estimated sales returns.

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt HKFRS 16 on 1st April, 2019.

HKFRS 16 will primarily affect the accounting for the Group's operating leases. At 31st March, 2017, the Group had non-cancellable operating lease commitments of HK$377,659,000. Upon adoption of HKFRS 16 the majority of operating lease commitments will be recognised in the consolidated statement of financial position as lease liabilities and right-of-use assets. The lease liabilities would subsequently be measured at amortised cost and the right-of-use assets will be depreciated on a straight-line basis during the lease term.

4. REVENUE

Revenue represents the aggregate of gross rental income, proceeds from sales of properties, income on treasury investment which includes interest income on bank deposits, income from securities investment which includes gain/(loss) on sales of securities investment, dividend income and related interest income, income from sales of goods and food and beverage, fees charged to food court tenants, gross income from property management, and interest and other income from money lending and other businesses.

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

	2017	2016
	HK$'000	*HK$'000*
Property rental income	**38,466**	45,362
Interest income	**12,890**	20,407
Dividend income	**17,310**	17,876
Sales of goods	**1,695,993**	1,640,670
Sales of food and beverage	**517,162**	618,948
Fees charged to food court tenants	**137,465**	140,082
Other	**42,051**	48,227
	2,461,337	2,531,572

5. 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, 2017

	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	38,466	–	5,721	18,469	2,383,223	–	15,458	–	2,461,337
Inter-segment	5,976	–	–	–	–	–	–	(5,976)	–
Total	44,442	–	5,721	18,469	2,383,223	–	15,458	(5,976)	2,461,337
Segment results	415,106	(27,363)	5,721	181,341	101,212	(84,532)	11,882	–	603,367
	(Note (a))	*(Note (b))*			*(Note (c))*	*(Note (d))*			
Unallocated corporate expenses									(118,158)
Finance costs									(17,052)
Share of results of associates	–	–	–	–	–	(1,892)	203	–	(1,689)
Share of results of joint ventures	–	(16)	–	–	2,961	–	–	–	2,945
Profit before tax									469,413
Segment assets	1,464,647	198,265	1,823,115	1,363,459	1,469,218	3,021	149,365	–	6,471,090
Interests in associates	–	–	–	–	–	–	15,245	–	15,245
Interests in joint ventures	–	340	–	–	13,276	–	–	–	13,616
Unallocated assets									14,749
Total assets									6,514,700
Segment liabilities	168,369	261,697	–	275,453	480,617	33,199	152,918	(635,626)	736,627
Unallocated liabilities									1,189,189
Total liabilities									1,925,816
Other segment information:									
Capital expenditure *(Note (e))*	64,737	–	–	–	30,530	838	4	–	96,109
Depreciation	(6,000)	(60)	–	–	(63,524)	(97)	(413)	–	(70,094)
Amortisation of intangible assets	–	–	–	–	(7,715)	–	–	–	(7,715)
Interest income	–	–	5,721	3,430	2,725	–	1,014	–	12,890
Finance costs	–	–	–	–	(645)	–	–	–	(645)
Gain/(Loss) on disposal of:									
Subsidiaries	332,398	–	–	–	(101)	1,568	–	–	333,865
Available-for-sale financial assets	–	–	–	2,859	–	–	–	–	2,859
Loss on deemed disposal of an associate	–	–	–	–	–	(785)	–	–	(785)
Provisions for impairment losses on:									
Intangible assets	–	–	–	–	(11,976)	–	–	–	(11,976)
Exploration and evaluation assets	–	–	–	–	–	(731)	–	–	(731)
Fixed assets	–	–	–	–	(22,236)	–	–	–	(22,236)
An associate	–	–	–	–	–	(102)	–	–	(102)
Available-for-sale financial assets	–	–	–	(8,160)	(5,242)	–	–	–	(13,402)
A property under development	–	(22,753)	–	–	–	–	–	–	(22,753)
A property held for sale	(822)	–	–	–	–	–	–	–	(822)
Inventories	–	–	–	–	(24,798)	–	–	–	(24,798)
Loans and receivables	–	–	–	–	(2,714)	(58,272)	(8,242)	–	(69,228)
Fixed assets written off	–	–	–	–	(863)	–	–	–	(863)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	–	–	–	181,889	(1,861)	–	9,897	–	189,925
Net fair value gain on investment properties	63,810	–	–	–	–	–	–	–	63,810
Unallocated:									
Capital expenditure *(Note (e))*									2,528
Depreciation									(725)
Finance costs									(17,052)

Year ended 31st March, 2016 (restated)

	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)	(220,708)	(336,126)	13,529	–	(249,018)
	(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									(441,776)
Segment assets	1,412,329	233,419	615,021	1,856,517	1,464,379	68,748	14,392	–	5,664,805
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									5,721,575
Segment liabilities	260,008	262,348	–	189,920	508,545	98,715	24,124	(619,435)	724,225
Unallocated liabilities									709,346
Total liabilities									1,433,571
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	–	–	–	–	(238,915)	–	–	–	(238,915)
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)

Note:

(a) The amount included gain on disposal of a subsidiary of HK$332,398,000 (2016 – Nil).

(b) The amount included provision for impairment losses on a property under development of HK$22,753,000 (2016 – Nil). The amount in 2016 also included gain on disposal of subsidiaries of HK$428,613,000.

(c) The amount included provision for impairment losses on intangible assets of HK$11,976,000 (2016 – HK$238,915,000, restated).

(d) The amount mainly included provision for impairment losses on loans and receivables of HK$58,272,000 (2016 – HK$159,453,000). The amount in 2016 also included provisions for impairment losses on available-for-sale financial assets and associates of HK$124,631,000 and HK$33,397,000, respectively.

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

Geographical information

(a) Revenue from external customers

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**323,206**	367,426
Mainland China	**16,221**	21,357
Republic of Singapore	**1,591,596**	1,588,502
Malaysia	**517,203**	538,178
Other	**13,111**	16,109
	2,461,337	2,531,572

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

(b) Non-current assets

	2017	2016
	HK$'000	*HK$'000*
		(Restated)
Hong Kong	**1,205,733**	1,131,686
Mainland China	**192,006**	196,558
Republic of Singapore	**335,364**	374,494
Malaysia	**14,558**	21,798
Other	**47,447**	44,077
	1,795,108	1,768,613

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

Information about a major customer

Revenue of approximately HK$449,915,000 for the year ended 31st March, 2017 (2016 – HK$421,580,000) was derived from sales by the food businesses segment to a single customer.

6. PROFIT/(LOSS) BEFORE TAX

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

	2017	2016
	HK$'000	*HK$'000*
Net fair value gain/(loss) on:		
Financial assets at fair value through profit or loss:		
Equity securities	**159,338**	(124,963)
Debt securities	**(3,190)**	8,736
Investment funds	**7,831**	(76,150)
	163,979	(192,377)
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	**(482)**	354
Derivative financial instruments	**26,428**	3,732
	189,925	(188,291)
Interest income:		
Financial assets at fair value through profit or loss	**2,513**	5,414
Available-for-sale financial assets	**917**	—
Loans and advances	**1,014**	727
Other	**8,446**	14,266
Gain on disposal of available-for-sale financial assets	**2,859**	—
Loss on disposal of fixed assets	**(920)**	(442)
Loss on deemed disposal of an associate	**(785)**	—
Provisions for impairment losses on:		
Exploration and evaluation assets	**(731)**	(1,468)
Fixed assets	**(22,236)**	(8,392)
A property under development	**(22,753)**	—
A property held for sale	**(822)**	(1,214)
Inventories	**(24,798)**	(22,736)
Fixed assets written off	**(863)**	(14,859)
Depreciation	**(70,819)**	(81,767)
Amortisation of intangible assets	**(7,715)**	(11,690)
Foreign exchange losses – net	**(3,140)**	(37,177)
Realised translation losses reclassified to the statement of profit or loss relating to cessation of foreign operations	**—**	(4,944)
Cost of inventories sold	**(1,326,758)**	(1,347,362)

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

The provisions for impairment losses on loans and receivables for the year ended 31st March, 2017 included HK$58,272,000 (2016 – HK$159,453,000) related to the Group's loans granted to CS Mining, LLC ("CS Mining"). CS Mining, a subsidiary of Skye Mineral Partners ("Skye"), owns and controls a number of copper ore deposits located in the State of Utah in the United States of America, 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.

In early June 2016, an involuntary chapter 11 petition (the "Involuntary Petition") was filed by certain creditors against CS Mining in the United States Bankruptcy Court for the District of Utah (the "U.S. Bankruptcy Court"). In August 2016, CS Mining consented to the Involuntary Petition and the U.S. Bankruptcy Court granted an order for relief in respect of CS Mining. CS Mining continues to operate its business and manage its affairs as a debtor-in-possession. As approved by the U.S. Bankruptcy Court, debtor-in-possession loan facilities (the "DIP Loan") were provided to CS Mining, which are secured by a lien on all assets of CS Mining which ranks senior to liens previously granted to Waterloo Street Limited ("Waterloo"), a wholly-owned subsidiary of the Company, and certain other secured creditors. Pursuant to the terms of the DIP Loan, CS Mining has commenced a process to sell its business which is expected to complete in the third quarter of 2017.

In addition, a complaint was filed by certain investors of Skye in early June 2016 against Waterloo and certain investors of Skye, in which the Group has equity interests (the "Group Entities"), and others, claiming, among other things, damages allegedly suffered by CS Mining. The action was removed to the U.S. Bankruptcy Court. In July 2016, Waterloo and the Group Entities commenced an adversary proceeding in the U.S. Bankruptcy Court against CS Mining's other significant secured creditor and various members and managers of CS Mining, asserting claims for equitable subordination, recharacterisation of certain claims, damages due to tortious interference. Certain defendants asserted counterclaims against Waterloo and the Group Entities. In February 2017, CS Mining filed a complaint against, inter alia, Waterloo with respect to the secured loans owed by CS Mining to Waterloo. All these litigations are ongoing after the reporting period. As advised by the U.S. counsel, based on the review of the relevant actions, it is believed that the claims lack merit and the Group intends to defend.

Having considered the potential recoverable amount from the sale of the business and the amount of the DIP Loan and other loan and expenditure which ranked senior to the secured loan due to the Group with carrying value of HK$58,272,000, it is expected that the recoverable value of the Group's remaining secured loan is highly likely to be minimal and hence should therefore be fully impaired as at 31st March, 2017.

For the year ended 31st March, 2016, in view of the predicament of CS Mining, the uncertainties on the results of the abovementioned court cases, 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. Full provision for impairment loss was made against the Group's equity investments as at 31st March, 2016, comprising of HK$28,353,000 and HK$124,631,000 for the interests in associates and available-for-sale financial assets, respectively, and provisions for impairment losses on loans and receivables of HK$159,453,000.

The provisions for impairment losses on available-for-sale financial assets and associates for the year ended 31st March, 2017 mainly related to the securities investment segment and food businesses segment.

8. INCOME TAX

	2017	2016
	HK$'000	*HK$'000*
		(Restated)
Hong Kong:		
Charge for the year	**3,610**	4,887
Underprovision/(Overprovision) in prior years	**75**	(256)
Deferred	**(2,371)**	(1,329)
	1,314	3,302
Overseas:		
Charge for the year	**36,863**	46,465
Overprovision in prior years	**(4,022)**	(5,060)
Deferred	**(2,725)**	(37,194)
	30,116	4,211
Total charge for the year	**31,430**	7,513

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 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 (2016 – 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, 2017 and 2016.

10. DIVIDENDS

	2017	2016
	HK$'000	*HK$'000*
Interim dividend, declared, of HK0.2 cent (2016 – HK0.2 cent) per ordinary share	**18,374**	18,374
Final dividend, proposed, of HK0.75 cent (2016 – HK0.75 cent) per ordinary share	**68,902**	68,902
	87,276	87,276

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:

	2017 *HK$'000*	2016 *HK$'000*
Outstanding balances with ages:		
Within 30 days	**247,558**	174,518
Between 31 and 60 days	**56,419**	111,178
Between 61 and 90 days	**37,320**	61,514
Between 91 and 180 days	**15,848**	24,363
Over 180 days	**83**	1,812
	357,228	373,385

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

12. RESTRICTED CASH

In connection with the Healthway Offer with details disclosed in Note 15 to the final results, bankers' guarantees in a total amount of approximately HK$1,254,000,000 were issued to Gentle Care Pte. Ltd. ("Gentle Care"), a subsidiary of the Company and the offeror of the Healthway Offer. As at 31st March, 2017, certain cash and bank balances, financial assets at fair value through profit or loss and available-for-sale financial assets with carrying amounts of HK$878,059,000 (2016 – Nil), HK$628,105,000 (2016 – Nil) and HK$867,000 (2016 – Nil), respectively were pledged to a bank as security for the bankers' guarantees. The bankers' guarantees had not been utilised and were expired in June 2017. The charges on these restricted cash, financial assets at fair value through profit or loss and available-for-sale financial assets had been released accordingly.

Except for the above, the restricted cash balance also included bank deposits pledged to secure banking facilities made available to the Group and as securities for bankers' guarantees issued in relation to the food businesses segment.

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

力寶置業(泰州)有限公司 (Lippo Realty (Taizhou) Limited) ("Lippo Realty"), an indirect wholly-owned subsidiary of the Company, has been engaging in the development of the properties located in Taizhou City, Jiangsu Province, the People's Republic of China. As at 31st March, 2017, the Group has been under negotiations with an interested party on the possible disposal of Lippo Realty and the sale was concluded after the year end date. In May 2017, the Group entered into a conditional agreement for the disposal of its entire interest in Lippo Realty for an aggregate consideration of RMB175,000,000 (equivalent to approximately HK$198,400,000) (the "Lippo Realty Disposal"). The disposal is expected to be completed during the year ending 31st March, 2018. Accordingly, the assets and liabilities attributable to Lippo Realty, as included in the Group's property development business for segment reporting purposes, had been classified as assets and liabilities held for sale and are presented separately in the consolidated statement of financial position as at 31st March, 2017. By reference to the sales consideration and the carrying value of Lippo Realty as at 31st March, 2017, the impairment loss on properties under development of HK$77,247,000 provided for during the six months ended 30th September, 2016 was written back, resulting in a net provision for impairment loss on properties under development of HK$22,753,000 recorded for the year ended 31st March, 2017. Such provision was included in the "Other operating expenses" in the consolidated statement of profit of loss. Cumulative exchange losses on translation of foreign operations of HK$19,265,000 relating to Lippo Realty which classified as held for sale have been included in other comprehensive income and included in equity.

During the year ended 31st March, 2016, the Group entered into a sale and purchase agreement with an independent third party to dispose of Superform Investment Limited ("Superform"), a wholly-owned subsidiary of the Company which owned an office floor of Lippo Centre (the "Superform Disposal"). The Superform Disposal was completed in May 2016. The assets and liabilities attributable to Superform, as included in the Group's property investment business for segment reporting purposes, had been classified as assets and liabilities held for sale and are presented separately in the consolidated statement of financial position as at 31st March, 2016. There were no cumulative income or expenses included in other comprehensive income relating to the disposal assets classified as held for sale.

The major classes of assets and liabilities classified as held for sale as at the end of the reporting period were as follows:

	2017	2016
	HK$'000	*HK$'000*
Fixed assets	**76**	39,304
Properties under development	**195,840**	—
Debtors and deposits paid	**670**	239
Cash and cash equivalents	**465**	—
Total assets classified as held for sale	**197,051**	39,543
Creditors, accruals and deposits received	**379**	65
Deferred tax liabilities	**—**	1,349
Total liabilities classified as held for sale	**379**	1,414
Net assets	**196,672**	38,129

14. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

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

	2017	2016
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days	**126,631**	173,772
Between 31 and 60 days	**53,735**	17,548
Between 61 and 90 days	**3,857**	5,111
Between 91 and 180 days	**9,564**	5,754
Over 180 days	**1,850**	2,342
	195,637	204,527

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

15. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in the final results, the Group had the following material events after the reporting period:

(a) In February 2017, it was announced that Silver Creek Capital Pte. Ltd. ("Silver Creek", of which Dr. Stephen Riady, an executive director of the Company, is the majority shareholder) made a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of Auric Pacific Group Limited ("Auric", a subsidiary of the Company), other than those which were owned, controlled or agreed to be acquired by Silver Creek or by parties acting in concert or deemed to be acting in concert with Silver Creek (the "Auric Offer"), with a view to delist Auric from the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Auric Offer did not extend to the Group. The Auric Offer closed on 7th April, 2017. Trading of the shares in Auric was suspended on 10th April, 2017 and Auric was subsequently delisted on 17th April, 2017. Silver Creek and the Company entered into a letter of undertaking (the "Undertaking") on 13th April, 2017 pursuant to which Silver Creek undertakes with the Company that Silver Creek shall, among other things, exercise or refrain from exercising the voting rights attached to a certain number of ordinary shares in the capital of Auric in accordance with the written directions as the Company may from time to time issue and deliver to Silver Creek. Hence, the Group considers it continues to control Auric as the Group has over 50 per cent. voting rights in Auric based on the shares held by the Group and the power given by the Undertaking. The Group does not expect any financial impact to the consolidated financial statements.

(b) In February 2017, Gentle Care had made a voluntary conditional cash offer for all the issued and paid-up ordinary shares in Healthway Medical Corporation Limited ("Healthway") at an offer price of S$0.042 (equivalent to approximately HK$0.231) per share (the "Healthway Offer"). Healthway is a company listed on the sponsor-supervised listing platform of the SGX-ST. Healthway, together with its subsidiaries, owns, operates and manages medical centres and clinics.

The Healthway Offer was also extended to the convertible notes in the total principal amount of S$70,000,000 (equivalent to approximately HK$385,000,000) issued by Healthway (the "CN") to a third party during the offer period. The CN can be convertible into shares in Healthway ("Healthway Shares") at a conversion price of S$0.03384 (equivalent to approximately HK$0.18612) per share. As at 31st March, 2017, CN of S$10,000,000 (equivalent to approximately HK$55,000,000) was issued, which was subsequently fully converted into Healthway Shares in April 2017.

On 21st April, 2017, CN of S$60,000,000 (equivalent to approximately HK$330,000,000) was issued by Healthway. On 23rd April, 2017, an agreement was entered into between Gentle Care and the noteholder pursuant to which Gentle Care acquired S$15,000,000 (equivalent to approximately HK$82,500,000) CN for a consideration of approximately S$18,617,000 (equivalent to approximately HK$102,400,000) and such CN were subsequently converted into Healthway Shares. The Healthway Offer closed on 12th May, 2017. Immediately after the completion of settlement of the offer price on 23rd May, 2017, the Group was interested in approximately 55.02 per cent. of Healthway Shares and approximately 38.86 per cent. of the maximum potential issued share capital of Healthway assuming all outstanding CN issued were fully converted into Healthway Shares. The aggregate cash consideration paid for the above acquisition amounted to approximately S$71,409,000 (equivalent to approximately HK$392,750,000), which included acquisition of Healthway Shares before the Healthway Offer.

After the close of the Healthway Offer, Healthway would be accounted for as an associate of the Company under HKFRS and accordingly, the earnings, assets and liabilities of Healthway would not be consolidated into the financial statements of the Company.

(c) The Lippo Realty Disposal, details of which are disclosed in Note 13 to the final results. It is expected that the Lippo Realty Disposal would give rise to a loss on disposal of approximately HK$19,265,000, which shall be recorded in the consolidated statement of profit or loss for the year ending 31st March, 2018.

BUSINESS REVIEW

Overview

The global economy was volatile in the year 2016. The political and economic events such as the Brexit, the result of the U.S. presidential election, the extent of and the timing on increase of U.S. interest rate and devaluation of Renminbi created uncertainties and market volatility. On the positive side, the prevailing low interest rates and ample global liquidity have helped to maintain a more stable economic environment in the region.

The performance of global stock markets has improved since the third quarter of the year 2016. Moving into 2017, the pace of U.S. interest rate increase has become clearer. With the U.S. presidential election over, investors' confidence towards the U.S. economy has gradually picked up. Renminbi as well as the stock market in mainland China has become more stable and less volatile.

Results for the Year

The performance of the Group was satisfactory for the year ended 31st March, 2017 (the "Year"). The Group recorded a consolidated profit attributable to shareholders of approximately HK$388 million for the Year, as compared to a consolidated loss of approximately HK$309 million for the year ended 31st March, 2016 (the "Last Year" or "2016"). Such profit was mainly attributable to gain on disposal of subsidiaries of approximately HK$334 million and fair value gain of approximately HK$190 million on its investments following the recovery of the stock markets.

Revenue for the Year totalled HK$2,461 million (2016 – HK$2,532 million). Food businesses were the principal sources of revenue of the Group, representing 97 per cent. (2016 – 96 per cent.) of total revenue.

Food businesses

The Group's food businesses are mainly operated by Auric Pacific Group Limited ("Auric", together with its subsidiaries, the "APG Group"), a subsidiary of the Company. The Group is interested in approximately 49.3 per cent. of the issued shares in Auric. The segment recorded a revenue of HK$2,383 million (2016 – HK$2,433 million), mainly from wholesale and distribution of fast moving consumer goods and the food retail operations in chains of bakeries, cafes and bistros.

In Last Year, management of the APG Group performed a business and operations review to rationalise operations including closure of non-performing stores in Singapore, Malaysia, Hong Kong and mainland China which resulted in significant deterioration in operating results. As a result, some exceptional items, including but not limited to an impairment of intangible assets of HK$239 million (restated due to change in accounting policy of deferred tax recognition on indefinite life intangible assets) were incurred during the Last Year. The drive for business growth and rationalisation have yielded results with a stronger landing for the Year. The segment recorded a profit of HK$101 million for the Year as compared to a restated loss of HK$221 million for the Last Year. However, in view of the challenges and uncertainties in the year ahead, Auric will continue to focus building stronger foundation for its core businesses and to seek new avenues and opportunities for business growth.

In February 2017, it was announced that Silver Creek Capital Pte. Ltd. ("Silver Creek", of which Dr. Stephen Riady, an executive Director of the Company, is the majority shareholder) made a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of Auric, other than those which were owned, controlled or agreed to be acquired by Silver Creek or by parties acting in concert or deemed to be acting in concert with Silver Creek (the "Auric Offer"), with a view to delist Auric from the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Auric Offer did not extend to the Group. The Auric Offer closed on 7th April, 2017. Trading of the shares in Auric was suspended on 10th April, 2017 and Auric was subsequently delisted on 17th April, 2017. In order to allow the Company to remain as the holding company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) of Auric, Silver Creek and the Company entered into a letter of undertaking on 13th April, 2017 pursuant to which Silver Creek undertakes with the Company that Silver Creek shall, among other things, exercise or refrain from exercising the voting rights attached to a certain number of ordinary shares in the capital of Auric in accordance with the written directions as the Company may from time to time issue and deliver to Silver Creek.

Property investment

The Group's investment properties are located mainly in Hong Kong and mainland China and provide a recurring income. Total segment revenue from the property investment business for the Year amounted to HK$44 million (2016 – HK$51 million).

The Group undertakes strategic review of its assets from time to time for maximising return to its shareholders which may include possible sale of certain properties held for investment purposes. In May 2016, the Group completed the disposal of its interest in a subsidiary which was holding an office floor in Hong Kong for an aggregate consideration of HK$372 million. Such disposal provided a good opportunity for the Group to realise its investments at a profit. Accordingly, the Group recognised a gain on disposal of a subsidiary of HK$332 million. Coupled with the segment revenue and net fair value gain on investment properties, the segment profit increased to HK$415 million (2016 – HK$56 million) for the Year.

Property development

Given the market conditions in the region and the time required to complete and sell the development project located in China Medical City (中國醫藥城), Taizhou City, Jiangsu Province, the People's Republic of China, the Group entered into an agreement for the disposal of its entire equity interest in 力寶置業(泰州)有限公司 (Lippo Realty (Taizhou) Limited) ("Lippo Realty") and an agreement for the assignment of all its rights to the advance due and owing by Lippo Realty to the Group in May 2017. The aggregate consideration received and receivable by the Group from the above disposal shall amount to RMB175 million. By reference to the consideration for the disposal of the equity interest, the Group recorded a provision for impairment loss on properties under development for this development project of approximately HK$23 million during the Year (2016 – Nil) and reported a loss of HK$27 million (2016 – loss of HK$19 million, which excluded the non-recurring net gain in relation to disposal of subsidiaries in the Last Year). It is expected that a non-recurring loss on disposal of subsidiary of approximately HK$19 million will be recognised for the year ending 31st March, 2018 after taking into account the release of exchange equalisation reserve upon completion of the above disposal.

Treasury and securities investments

Treasury and securities investments businesses recorded a total revenue of HK$24 million during the Year (2016 – HK$34 million), mainly attributable to the interest and dividend income received from the investment portfolio.

The Group managed its investment portfolio in accordance with the investment committee's terms of reference and looked for opportunities to enhance yields and seek gains. As of 31st March, 2017, the Group's financial assets at fair value through profit or loss amounted to HK$1,028 million (2016 – HK$714 million), comprising equity securities of HK$434 million (2016 – HK$242 million), debt securities of HK$206 million (2016 – HK$193 million) and investment funds of HK$388 million (2016 – HK$279 million). Following the improvement in the global stock market in the third quarter of the year 2016, the Group recorded net fair value gain on its investments under the securities investment segment of HK$182 million for the Year as compared to net fair value loss of HK$121 million for the Last Year. The net fair value gain of the securities investment segment for the Year included HK$149 million gain on listed equity securities, HK$10 million gain on investment funds and HK$26 million gain on other financial instruments, net-off with HK$3 million loss on bonds. As a result, the treasury and securities investments businesses recorded a net profit of HK$187 million for the Year (2016 – loss of HK$106 million).

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

	As at 31st March, 2017			As at 31st March, 2016	For the year ended 31st March, 2017	
	Fair value *HK$'000*	Approximate percentage of financial assets at fair value through profit or loss	Approximate percentage to the net assets	Fair value *HK$'000*	Net fair value gain/(loss) *HK$'000*	Approximate percentage of net fair value gain on financial assets at fair value through profit or loss
GSH Corporation Limited ("GSH")	235,501	23%	5%	107,167	128,334	78%
US Treasury N/B 2.000% 11/15/26	63,192	6%	1%	–	819	0%
TSY INFL IX N/B 0.125% 07/15/26	55,294	5%	1%	–	(699)	n.m.
iShares EM Local Govt Bond UCITS ETF ("IEML")	52,231	5%	1%	15,036	(914)	n.m.
Others *(Note)*	621,939	61%	14%	591,325	36,439	22%
	1,028,157	100%	22%	713,528	163,979	100%

n.m.: not meaningful

Note: Others included listed shares in Healthway Medical Corporation Limited with carrying amount of HK$37 million as of 31st March, 2017, which was managed separately under healthcare services as disclosed below. Save as aforesaid, the remaining came from more than 100 securities, none of which accounted for more than 5 per cent. of the financial assets at fair value through profit or loss as at 31st March, 2017 or 7 per cent. of the net fair value gain for the Year.

As at 31st March, 2017, the fair value of the Group's equity securities in GSH amounted to HK$236 million, representing approximately 23 per cent. of the Group's total financial assets at fair value through profit or loss. This investment was made for asset diversification purpose. GSH is a Singapore listed property developer in Southeast Asia with certain properties under development in Kuala Lumpur and Kota Kinabalu, Malaysia. GSH also owns the Sutera Harbour Resort in Kota Kinabalu which comprises two five-star hotels and a golf course. In March 2017, GSH entered into a conditional sale and purchase agreement for the disposal of a subsidiary which owns GSH Plaza, its flagship commercial property in Singapore. The completion date of the disposal was extended to July 2017. Such disposal is a good opportunity for GSH to realise cash flow for its other businesses, including increasing its presence in overseas markets such as mainland China. In line with the global stock market improvement since the third quarter of the year 2016, the share price performance of GSH was satisfactory during the Year, resulting in a fair value gain of HK$128 million, which accounted for approximately 78 per cent. of the total net fair value gain. It is expected that its performance will be largely affected by the global stock market conditions.

US Treasury N/B 2.000% 11/15/26 is one of the proxies to represent Treasuries in the Group's bond portfolio. In addition to the capital gains, it also returns coupon interests to the Group. Since the issue of the bond in November 2016, the price has come down a bit and then recovered. As advised by the Group's investment advisor, the outlook for sovereign bonds in the next few months is not very optimistic. Accordingly, the Group has pared its exposure in its portfolio.

TSY INFL IX N/B 0.125% 07/15/26 is a treasury security that is indexed to inflation in order to protect investors from the negative effects of inflation. The price of this security has declined in December 2016 and then recovered. In addition to the price movements, the security also returns a coupon of 0.125 per cent. over inflation rate measured by consumer price index. The Group's investment advisor advised that the outlook for Treasury inflation protected securities ("TIPs") is not as rosy as well but a bit better than Treasuries as U.S. interest rate starts hiking in the short term, and TIPs yields could be pressured higher. As a result, the Group has started reducing some exposure in the portfolio.

IEML is a proxy for Emerging Market ("EM") local currency bonds in the Group's EM bond portfolio. Since April 2016, the ETF is up 8 per cent. including a sizable drawdown of 9 per cent. due to events surrounding U.S. presidential election in November 2016. We were underweight exposure in the EM strategy, and have post November built the strategy up to neutral weight. The outlook for EM Bonds is neutral as there are some cross currents from the view that sovereign bonds in the G-10 space is set to move higher (such as the Treasuries above) which would be a headwind for EM Bonds offset by the still solid global growth and investors search for yield. The Group's investment advisor's view on EM bonds (and IEML) is cautiously optimistic that these bonds will continue to perform with a few bumps in the road at least for the next 6 to 12 months.

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

Mineral exploration and extraction

In early June 2016, an involuntary chapter 11 petition (the "Involuntary Petition") was filed by certain creditors against CS Mining, LLC ("CS Mining"), a subsidiary of Skye Mineral Partners ("Skye"), in the United States Bankruptcy Court for the District of Utah (the "U.S. Bankruptcy Court"). 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. In August 2016, CS Mining consented to the Involuntary Petition, and the U.S. Bankruptcy Court granted an order for relief in respect of CS Mining. CS Mining continues to operate its business and manage its affairs as a debtor-in-possession. Debtor-in-possession loan facilities (the "DIP Loan") were provided to CS Mining. The DIP Loan was approved by the U.S. Bankruptcy Court. The DIP Loan is secured by a lien on all assets of CS Mining, which ranks senior to liens previously granted to Waterloo Street Limited ("Waterloo"), a wholly-owned subsidiary of the Company, and certain other secured creditors. Pursuant to the terms of the DIP Loan, CS Mining has commenced a process to sell its business which is expected to complete in the third quarter of 2017.

In early June 2016, a complaint was filed by certain investors of Skye against Waterloo and certain investors of Skye, in which the Group has equity interests (the "Group Entities") and others, claiming, among other things, damages allegedly suffered by CS Mining. The action was removed to the U.S. Bankruptcy Court. This litigation remains ongoing.

In July 2016, Waterloo and the Group Entities commenced an adversary proceeding in the U.S. Bankruptcy Court against CS Mining's other significant secured creditor and various members and managers of CS Mining, asserting claims for equitable subordination, recharacterisation of certain claims, and damages due to tortious interference (the "Waterloo Complaint"). Certain defendants asserted counterclaims against Waterloo and the Group Entities. This litigation is ongoing.

In February 2017, CS Mining filed several lawsuits in the U.S. Bankruptcy Court against some of its creditors, including, inter alia, a complaint filed against, inter alia, Waterloo with respect to the secured loan owed by CS Mining to Waterloo (the "Waterloo Loan"). In the lawsuit, CS Mining seeks several forms of relief with respect to the Waterloo Loan. Waterloo has denied all claims made in the complaint. Discovery has commenced in this litigation and trial is scheduled for August 2017.

Having considered the potential recoverable amount from the sale of the business and the amount of the DIP Loan and other loan and expenditure which ranked senior to the Waterloo Loan with carrying value of HK$58 million, it is expected that the recoverable value of the Group's remaining secured loan is highly likely to be minimal and hence should therefore be fully impaired for the Year. In the Last Year, impairment losses in a total of HK$312 million were made for the interests in associates, available-for-sale financial assets and loans and receivables in relation to the Group's interests in CS Mining.

Notwithstanding the difficulties in the mining business, the Group is generally positive concerning the long term prospects for resource business. The Group may consider participating in investment in such business should the opportunity arise.

Other business

The Group sees the business potentials in the healthcare industry in Singapore, and would therefore like to establish their presence in this field. In February 2017, Gentle Care Pte. Ltd. ("Gentle Care"), a wholly-owned subsidiary of the Company, had made a voluntary conditional cash offer for all the issued and paid-up ordinary shares (the "Healthway Shares") in Healthway Medical Corporation Limited ("Healthway") at an offer price of S$0.042 per share (the "Healthway Offer"). The Healthway Offer was also extended to the convertible notes in the total principal amount of S$70 million issued by Healthway (the "CN") to a third party during the offer period. The CN can be convertible into shares in Healthway at a conversion price of S$0.03384 per share. As at 31st March, 2017, the Group was interested in approximately 22 per cent. of the then issued shares in Healthway and the consideration paid for such Healthway Shares amounted to approximately S$20 million.

On 23rd April, 2017, an agreement was entered into between Gentle Care and the noteholder pursuant to which Gentle Care acquired S$15 million CN for a consideration of approximately S$18.6 million and such CN were subsequently converted into Healthway Shares. The Healthway Offer closed on 12th May, 2017. Immediately after the completion of settlement of the offer price on 23rd May, 2017, the Group was interested in approximately 55.02 per cent. of Healthway Shares and approximately 38.86 per cent. of the maximum potential issued share capital of Healthway assuming all outstanding CN issued were fully converted into Healthway Shares. Accordingly, Healthway is now regarded as a subsidiary of the Company under the Hong Kong Companies Ordinance and the Listing Rules. However, Healthway will be accounted for as an associate under the Hong Kong Financial Reporting Standards and accordingly, the earnings, assets and liabilities of Healthway would not be consolidated into the financial statements of the Company. The aggregate cash consideration paid for the above acquisition amounted to approximately S$71.4 million, which included acquisition of Healthway Shares before the Healthway Offer. Healthway is a company listed on the sponsor-supervised listing platform of the SGX-ST. Healthway, together with its subsidiaries, owns, operates and manages medical centres and clinics. Healthway, as a well-established private healthcare provider in Singapore, matches the Group's strategy to establish its presence in the healthcare industry in Singapore and to acquire quality healthcare management capability.

Financial Position

The Group's financial position remained healthy. As at 31st March, 2017, its total assets amounted to HK$6.5 billion (2016 – HK$5.7 billion, restated). Property-related assets amounted to HK$1.7 billion as at 31st March, 2017 (2016 – HK$1.7 billion), representing 26 per cent. (2016 – 29 per cent., restated) of the total assets. Total liabilities increased to HK$1.9 billion (2016 – HK$1.4 billion, restated), mainly due to drawdown of new loans and borrowings during the Year. The Group maintained a strong cash position. Current ratio as at the end of the reporting period amounted to 2.4 (2016 – 4.5, restated).

As at 31st March, 2017, total cash and bank balances (consisted of cash and cash equivalents, time deposits with original maturity of more than three months and restricted cash) amounted to HK$2.5 billion (2016 – HK$1.9 billion). In connection with the Healthway Offer, certain cash and bank balances, financial assets at fair value through profit or loss and available-for-sale financial assets were pledged to a bank as security for the bankers' guarantees issued to Gentle Care in a total amount of S$228 million. Such cash and bank balances with a carrying amount of HK$0.9 billion was reclassified to restricted cash as at 31st March, 2017. The bankers' guarantees had not been utilised and were expired in June 2017 and the charges of the aforesaid assets have been fully released.

As at 31st March, 2017, bank and other borrowings of the Group increased to HK$1,067 million (2016 – HK$569 million). As at 31st March, 2017, bank loans amounted to HK$475 million and were secured by certain properties of the Group. Bank loans as at 31st March, 2016 amounted to HK$567 million, comprised secured bank loans of HK$550 million and unsecured bank loans of HK$17 million. The bank loans were mainly denominated in Hong Kong dollars. All of the bank borrowings carried interest at floating rate. 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's other borrowings comprised of an unsecured loan from the ultimate holding company granted during the Year and obligations under finance leases. During the Year, a fixed rate loan of HK$590 million was provided to the Group by the ultimate holding company. The Group has obligations under finance leases for certain fixed assets which amounted to HK$2 million as at 31st March, 2017 (2016 – HK$2 million). These obligations are secured by the rights to the leased fixed assets.

As at 31st March, 2017, approximately 99.9 per cent. (2016 – 10 per cent.) of the bank and other borrowings were repayable within one year. As at 31st March, 2017, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 26.0 per cent. (2016 – 14.6 per cent.).

The net asset value attributable to equity holders of the Group remained strong and amounted to HK$4.1 billion as at 31st March, 2017 (2016 – HK$3.8 billion). This was equivalent to HK45 cents per share (2016 – HK42 cents per share).

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.

The Group had bankers' guarantees of approximately HK$33 million as at 31st March, 2017 (2016 – HK$44 million) issued in lieu of rental and utility deposits for the premises used for operation of food businesses. Approximately 58 per cent. (2016 – 66 per cent.) of the bankers' guarantees were secured by certain bank deposits of the Group. Aside from the abovementioned, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Year (2016 – Nil).

The Group's commitments as at 31st March, 2017 included HK$506 million commitment in relation to the Healthway Offer. As a result, the total commitment as at 31st March, 2017 increased to HK$630 million (2016 – HK$132 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 1,878 employees as at 31st March, 2017 (2016 – 2,231 employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss during the Year amounted to HK$465 million (2016 – HK$514 million). The Group ensures that its employees are offered competitive remuneration packages. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

PROSPECTS

Looking ahead, the global economy is likely to improve gradually. It is expected that the U.S. economy will grow at a faster pace in 2017. The Asian economies are expected to pick up in 2017, supported by the recovery in exports and domestic demand. However, certain uncertainties and downside risks such as Brexit-related negotiations, the rising deglobalisation sentiments and the geopolitical tensions in various regions remain. In view of the business potentials in the healthcare industry in Singapore, the Group considers this is an appropriate time to invest in this field. The acquisition of Healthway provides an opportunity for the Group to diversify the Group's business and is beneficial to the future business direction, management and operations of the Group. The Group will continue to be watchful of market developments. The Group will also continue to take a cautious and prudent approach in managing its assets and assessing new investment opportunities to capture growth opportunities and enhance shareholders' value.

DIVIDENDS

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting (the "2017 AGM") the payment of a final dividend of HK0.75 cent per share (2016 – HK0.75 cent per share) amounting to approximately HK$68.9 million for the year ended 31st March, 2017 (2016 – approximately HK$68.9 million). Together with the interim dividend of HK0.2 cent per share (For the six months ended 30th September, 2015 – HK0.2 cent per share) paid on 26th January, 2017, total dividends for the year ended 31st March, 2017 will be HK0.95 cent per share (2016 – HK0.95 cent per share) amounting to approximately HK$87.3 million (2016 – approximately HK$87.3 million). Subject to the approval of shareholders at the 2017 AGM, the final dividend will be paid on or about Friday, 6th October, 2017 to shareholders whose names appear on the Register of Members on Friday, 15th September, 2017.

CLOSURE OF REGISTER OF MEMBERS

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

(i) from Tuesday, 29th August, 2017 to Friday, 1st September, 2017 (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 2017 AGM. In order to be entitled to attend and vote at the 2017 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 Monday, 28th August, 2017; and

(ii) from Tuesday, 12th September, 2017 to Friday, 15th September, 2017 (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 Monday, 11th September, 2017.

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

During the year ended 31st March, 2017, 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, 2017.

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, 2017.

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, 2017 (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, 2017

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.