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 31 MARCH 2019

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 31 March 2019 together with the comparative figures for the corresponding period in 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 March 2019

	Note	**2019** *HK$'000*	2018 *HK$'000* (Restated)
Revenue	*4*	**2,484,874**	2,400,637
Cost of sales		**(1,403,454)**	(1,367,850)
Gross profit		**1,081,420**	1,032,787
Other income	*5*	**33,108**	30,401
Administrative expenses		**(748,356)**	(678,248)
Other operating expenses		**(393,968)**	(383,655)
Gain/(Loss) on disposal of subsidiaries	*14*	**873,928**	(14,560)
Net fair value gain on investment properties		**35,030**	87,492
Net fair value loss on financial instruments at fair value through profit or loss	*7*	**(187,028)**	(42,696)
Other gains/(losses) — net	*6*	**(42,916)**	39,475
Finance costs		**(49,042)**	(33,925)
Share of results of associates		**(9,180)**	(20,910)
Share of results of joint ventures	*8*	**(89,444)**	(43,254)
Profit/(Loss) before tax	*7*	**503,552**	(27,093)
Income tax	*9*	**(15,093)**	(22,414)
Profit/(Loss) for the year		**488,459**	(49,507)
Attributable to:			
Equity holders of the Company		**(78,233)**	(122,352)
Non-controlling interests		**566,692**	72,845
		488,459	(49,507)
		HK cents	*HK cents* (Restated)
Loss per share attributable to equity holders of the Company	*10*		
Basic and diluted		**(0.85)**	(1.33)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2019

	Note	2019 HK$'000	2018 HK$'000 (Restated)
Profit/(Loss) for the year		**488,459**	(49,507)
Other comprehensive income/(loss)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Available-for-sale financial assets:			
Changes in fair value		**—**	18,556
Adjustment for disposals		**—**	(2,436)
Adjustment for derecognition		**—**	(12,919)
Exchange differences on translation of foreign operations		**(59,944)**	170,526
Exchange differences reclassified to profit or loss upon:			
Disposal of foreign subsidiaries	*14*	**28,936**	13,155
Disposal of a foreign joint operation		**—**	2,021
Deemed disposal of a foreign associate		**—**	(1,849)
Liquidation of foreign operations	*6*	**(9,501)**	13,665
Settlement of intercompany dividend	*6*	**—**	10,054
Share of other comprehensive income/(loss) of associates		**(24,860)**	14,761
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax		**(65,369)**	225,534
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity instruments at fair value through other comprehensive income		**95,450**	—
Gain on property revaluation		**2,790**	—
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax		**98,240**	—
Other comprehensive income for the year, net of tax		**32,871**	225,534
Total comprehensive income for the year		**521,330**	176,027
Attributable to:			
Equity holders of the Company		**(36,198)**	24,953
Non-controlling interests		**557,528**	151,074
		521,330	176,027

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	**2019** **HK$'000**	2018 HK$'000 (Restated)
Non-current assets			
Intangible assets		**181,592**	213,238
Exploration and evaluation assets		**602**	356
Fixed assets		**991,040**	964,227
Investment properties		**880,353**	844,220
Interests in associates		**737,958**	796,359
Interests in joint ventures		**4,673**	90,941
Financial assets at fair value through other comprehensive income		**356,495**	—
Financial assets at fair value through profit or loss		**389,419**	—
Available-for-sale financial assets		**—**	393,053
Debtors, prepayments and other assets	*12*	**38,634**	42,427
Deferred tax assets		**845**	8,326
		3,581,611	3,353,147
Current assets			
Inventories		**11,349**	302,406
Debtors, prepayments and other assets	*12*	**328,090**	530,385
Financial assets at fair value through profit or loss		**571,690**	1,738,110
Other financial assets		**365**	—
Tax recoverable		**2**	7,408
Restricted cash		**59,899**	65,959
Time deposits with original maturity of more than three months		**69,342**	73,027
Cash and cash equivalents		**2,260,905**	1,201,861
		3,301,642	3,919,156
Current liabilities			
Bank and other borrowings		**583,339**	628,197
Creditors, accruals and other liabilities	*13*	**421,106**	1,071,815
Other financial liabilities		**9,770**	14,513
Tax payable		**138,169**	172,884
		1,152,384	1,887,409
Net current assets		**2,149,258**	2,031,747
Total assets less current liabilities		**5,730,869**	5,384,894

	Note	2019 HK$'000	2018 HK$'000 (Restated)
Non-current liabilities			
Bank and other borrowings		**684,444**	733,606
Creditors, accruals and other liabilities	*13*	**24,412**	31,816
Other financial liability		**220**	—
Deferred tax liabilities		**50,814**	56,736
		759,890	822,158
Net assets		**4,970,979**	4,562,736
Equity			
Equity attributable to equity holders of the Company			
Share capital		**1,705,907**	1,705,907
Reserves		**2,202,393**	2,336,173
		3,908,300	4,042,080
Non-controlling interests		**1,062,679**	520,656
		4,970,979	4,562,736

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 31 March 2018, 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 31 March 2019 and the financial information relating to the year ended 31 March 2018 included in this preliminary announcement of annual results for the year ended 31 March 2019 does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31 March 2018, 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 31 March 2019 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 31 March 2018 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 31 March 2018. 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 AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's final results:

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Other than as explained below regarding the impact of HKFRS 9 and HKFRS 15, the application of the above new and revised standards has had no significant financial effect on the final results.

(a) HKFRS 9 *Financial Instruments*

HKFRS 9 replaces HKAS 39 *Financial Instruments: Recognition and Measurement*, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Group has recognised the transition adjustments against the applicable opening balances in equity at 1 April 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

The following information sets out the impact of adopting HKFRS 9 on the consolidated statement of financial position, including the effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("ECLs").

Classification and measurement

The changes in classification and measurement mainly affect the classification and measurement of the available-for-sale financial assets of the Group and its associate.

Impairment

Upon adoption of HKFRS 9, the Group has applied the simplified approach and recorded lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade debtors. The results of the revision at 1 April 2018 have not resulted in any material change in impairment provision or any material impact on the carrying amount of the Group's financial assets.

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 April 2018 is as follows:

	Note	HKAS 39 measurement category	HKFRS 9 measurement category	HKAS 39 carrying amount *HK$'000*	Re-classification *HK$'000*	Re-measurement *HK$'000*	HKFRS 9 carrying amount *HK$'000*
Financial assets							
Available-for-sale financial assets:							
Equity securities	*(i)*	AFS	FVOCI	95,930	(95,930)	—	—
Debt securities	*(ii)*	AFS	FVPL	18,057	(18,057)	—	—
Investment funds	*(iii)*	AFS	FVPL	279,066	(279,066)	—	—
Financial assets at fair value through other comprehensive income:							
Equity securities	*(i)*	N/A	FVOCI	—	95,930	(33,378)	62,552
Financial assets at fair value through profit or loss:							
Equity securities		FVPL	FVPL	808,276	—	—	808,276
Debt securities	*(ii)*	FVPL	FVPL	195,965	18,057	—	214,022
Investment funds	*(iii)*	FVPL	FVPL	357,462	279,066	(1,017)	635,511
Equity linked notes		FVPL	FVPL	376,407	—	—	376,407
Financial assets included in debtors, prepayments and other assets		L&R	AC	528,194	—	—	528,194
Restricted cash		L&R	AC	65,959	—	—	65,959
Time deposits with original maturity of more than three months		L&R	AC	73,027	—	—	73,027
Cash and cash equivalents		L&R	AC	1,201,861	—	—	1,201,861
Total financial assets				4,000,204	—	(34,395)	3,965,809
Financial liabilities							
Bank and other borrowings		AC	AC	1,361,803	—	—	1,361,803
Financial liabilities included in creditors, accruals and other liabilities		AC	AC	1,037,360	—	—	1,037,360
Other financial liabilities		FVPL	FVPL	14,513	—	—	14,513
Total financial liabilities				2,413,676	—	—	2,413,676

FVOCI: Fair value through other comprehensive income
FVPL: Fair value through profit or loss
AC: Amortised cost
AFS: Available-for-sale
L&R: Loans and receivables
N/A: Not applicable

The following table summarised the impact of initial application of HKFRS 9 on the Group's equity as at 1 April 2018:

	Note	Fair value reserve of financial assets at FVOCI *HK$'000*	Retained profits *HK$'000*	Non-controlling interests *HK$'000*
HKAS 39 carrying amount at 31 March 2018, as previously reported		19,776	2,158,588	520,656
Prior year adjustments	*(vi)*	(4,601)	(4,988)	—
HKAS 39 carrying amount at 31 March 2018, as restated		15,175	2,153,600	520,656
Remeasurement of financial assets at fair value through other comprehensive income	*(i)*	(33,378)	—	—
Remeasurement of financial assets at fair value through profit or loss	*(iii)*	—	103	(1,120)
Transfer from retained profits to fair value reserve of financial assets at FVOCI	*(i)*	(182,299)	182,299	—
Transfer from fair value reserve of financial assets at FVOCI to retained profits	*(iv)*	(24,504)	24,504	—
Transfer of fair value reserve of financial assets at FVOCI by an associate	*(v)*	9,783	(9,783)	—
Balance at 1 April 2018, as adjusted		(215,223)	2,350,723	519,536

Note:

(i) Equity securities classified as AFS were reclassified to FVOCI because the Group invests in such investments for strategic purpose and intends to hold for the foreseeable future and the Group has irrevocably elected to so classify upon initial recognition or transition. Besides, certain unlisted equity instruments classified as AFS were previously carried at cost less impairment. Upon initial application of HKFRS 9 at 1 April 2018, difference between the carrying amount and fair value was adjusted to retained profits and the accumulated impairment was transferred from retained profits to fair value reserve of financial assets at FVOCI (formerly investment revaluation reserve).

(ii) Certain debt securities were reclassified from AFS to FVPL as their cash flow characteristics fail the solely comprised of principal and interest criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

(iii) Investment funds classified as AFS were reclassified to FVPL as their cash flows are not solely payments of principal and interest on the principal outstanding. Besides, certain investment funds classified as AFS were previously carried at cost less impairment. Upon initial application of HKFRS 9 at 1 April 2018, difference between the carrying amount and fair value was adjusted to retained profits.

(iv) Investment revaluation reserve relating to debt securities and investment funds, which was previously presented under accumulated other comprehensive income, was transferred to retained profits.

(v) An associate reclassified its financial assets in accordance with HKFRS 9. The amount represented the share of transfer from fair value reserve of financial assets at FVOCI to retained profits.

(vi) The amounts refer to the prior period adjustments due to the completion of purchase price allocation exercise for the acquisition of an associate during the year. Further details are disclosed in Note 15(a) to the final results.

(b) HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. 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 Group has adopted HKFRS 15 using the modified retrospective method of adoption. Results for the periods beginning on or after 1 April 2018 are presented under HKFRS 15, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. In addition, the Group has elected to apply HKFRS 15 retrospectively to all contracts as at 1 April 2018. The major changes as a result of the adoption of HKFRS 15 are as follows:

Sale of goods and fast-moving consumer products with variable consideration
For the sale of goods and fast-moving consumer products under food businesses, some contracts with customers provide a right of return, trade discounts, promotional rebates or trading term rebates. Prior to adopting HKFRS 15, the Group recognised revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns, trading discounts, promotional rebates and trading term rebates. Under HKFRS 15, variable consideration is estimated and is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty is subsequently resolved.

Rights of return
The Group previously recorded a provision for the net margin arising from expected returns, with the initial carrying amount of goods expected to be returned included in inventories and the respective initial sales amount expected to be refunded as net of trade debtors. Under HKFRS 15, the Group estimates the amount of expected returns in determining the transaction price and recognises revenue based on the amounts to which the Group expects to be entitled through the end of the return period. The Group recognises the amount of expected returns as a refund liability included in creditors, accruals and other liabilities, representing its obligation to return the customer's consideration. Separately, the Group recognises a right of return asset included in debtors, prepayments and other assets for the right to recover the returned goods. The reclassification has not resulted in any material impact to the consolidated statements of financial position as at 1 April 2018 and 31 March 2019.

Promotional rebates and trading terms rebates
The Group provides retrospective promotional rebates and trading terms rebates to some of its customers based on the threshold of purchase. Prior to the adoption of HKFRS 15, the Group estimated the amount of promotional rebates and included a provision for rebates in creditors, accruals and other liabilities. Under HKFRS 15, retrospective promotional rebates and trading term rebates give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Group applied the expected value method. Upon adoption of HKFRS 15, the Group recognised refund liabilities of HK$40,632,000 for the expected future rebates as at 1 April 2018, which was previously included in provision for rebates. There is no impact on the total creditors, accruals and other liabilities and retained profits as at 1 April 2018. As at 31 March 2019, the adoption of HKFRS 15 resulted in an increase in refund liabilities of HK$4,037,000 and a corresponding decrease in provision for rebates under total creditors, accruals and other liabilities.

The following table gives a summary of the amounts of affected line items in the consolidated statement of profit or loss for the year ended 31 March 2019 that have been impacted by HKFRS 15:

	Year ended 31 March 2019		
	As presented under accounting policies pre 1 April 2018	Effect on adoption of HKFRS 15	As presented under accounting policies from 1 April 2018
	HK$'000	*HK$'000*	*HK$'000*
Revenue	2,488,979	(4,105)	2,484,874
Cost of sales	(1,421,219)	17,765	(1,403,454)
Gross profit	1,067,760	13,660	1,081,420
Other operating expenses	(380,308)	(13,660)	(393,968)

There is no material impact on profit for the year, and basic and diluted loss per share attributable to equity holders of the Company for the year ended 31 March 2019. Furthermore, there is no impact on other comprehensive income or on the Group's operating, investing and financing cash flows for the year ended 31 March 2019. Except the reclassification impact as disclosed above, there is no impact on the amounts of line items in the consolidated statement of financial position as at 31 March 2019.

3. SEGMENT INFORMATION

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

(a) the property investment segment includes investments relating to letting and resale of properties;

(b) the property development segment includes development and sale of properties;

(c) the treasury investment segment includes investments in money markets;

(d) the securities investment segment includes investments in securities held-for-trading and for long-term strategic purpose;

(e) the food businesses segment mainly includes distribution of consumer food and non-food products, food manufacturing and retailing, the management of restaurants and food court operations;

(f) the healthcare services segment includes provision of healthcare management services;

(g) the mineral exploration and extraction segment includes mineral exploration, extraction and processing; and

(h) the "other" segment comprises principally money lending, the provision of property management services and investment in closed-end fund.

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 31 March 2019

	Property investment *HK$'000*	Property development *HK$'000*	Treasury investment *HK$'000*	Securities investment *HK$'000*	Food businesses *HK$'000*	Healthcare services *HK$'000*	Mineral exploration and extraction *HK$'000*	Other *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
Revenue										
External	29,402	–	10,051	34,852	2,396,501	–	–	14,068	–	2,484,874
Inter-segment	5,355	–	–	–	–	–	–	–	(5,355)	–
Total	34,757	–	10,051	34,852	2,396,501	–	–	14,068	(5,355)	2,484,874
Segment results	55,141	5,843	10,051	(179,720)	975,118	–	(16,854)	(22,832)	–	826,747
Unallocated corporate expenses										(192,268)
Finance costs										(32,303)
Share of results of associates	–	–	–	–	–	(16,104)	–	6,924	–	(9,180)
Share of results of joint ventures	–	–	–	–	(18)	(1,101)	(88,325)	–	–	(89,444)
Profit before tax										503,552
Segment assets	1,592,285	16	524,978	1,550,767	2,319,940	–	2,139	100,446	(966)	6,089,605
Interests in associates	–	–	–	–	–	423,772	–	314,186	–	737,958
Interests in joint ventures	–	371	–	–	2,932	1,370	–	–	–	4,673
Unallocated assets										51,017
Total assets										6,883,253
Segment liabilities	316,809	187	–	10,145	489,561	419,342	4,997	426,287	(386,339)	1,280,989
Unallocated liabilities										631,285
Total liabilities										1,912,274
Other segment information:										
Capital expenditure *(Note)*	965	–	–	–	131,517	–	258	10,059	–	142,799
Depreciation	(22,974)	–	–	–	(37,147)	–	(45)	(215)	–	(60,381)
Interest income	–	–	10,051	8,690	2,864	–	–	824	–	22,429
Finance costs	–	–	–	(5,009)	(5,329)	–	–	(6,401)	–	(16,739)
Gain/(Loss) on disposal of:										
Subsidiaries	–	15,547	–	–	858,381	–	–	–	–	873,928
Fixed assets	–	–	–	–	(2,402)	–	–	–	–	(2,402)
Write-back of provisions/(Provisions) for impairment losses on:										
Intangible assets	–	–	–	–	(10,681)	–	–	–	–	(10,681)
Fixed assets	–	–	–	–	3,262	–	–	–	–	3,262
An associate	–	–	–	–	–	–	–	(22,698)	–	(22,698)
Inventories	–	–	–	–	(8,158)	–	–	–	–	(8,158)
Loans and receivables	–	–	–	–	(2,535)	–	–	–	–	(2,535)
Fixed assets written off	–	–	–	–	(6,720)	–	–	–	–	(6,720)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	9,272	–	–	–	–	–	–	229	–	9,501
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	–	–	–	(192,542)	5,514	–	–	–	–	(187,028)
Net fair value gain on investment properties	35,030	–	–	–	–	–	–	–	–	35,030
Unallocated:										
Capital expenditure *(Note)*										1,669
Depreciation										(8,531)
Finance costs										(32,303)

Year ended 31 March 2018 (restated)

	Property investment *HK$'000*	Property development *HK$'000*	Treasury investment *HK$'000*	Securities investment *HK$'000*	Food businesses *HK$'000*	Healthcare services *HK$'000*	Mineral exploration and extraction *HK$'000*	Other *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
Revenue										
External	36,374	–	7,588	27,011	2,315,848	–	–	13,816	–	2,400,637
Inter-segment	6,024	–	–	–	–	–	–	–	(6,024)	–
Total	42,398	–	7,588	27,011	2,315,848	–	–	13,816	(6,024)	2,400,637
Segment results	98,786	(16,497)	7,588	(25,616)	158,527	11,878	(10,961)	(3,561)	–	220,144
Unallocated corporate expenses										(151,594)
Finance costs										(31,479)
Share of results of associates	–	–	–	–	–	(22,518)	–	1,608	–	(20,910)
Share of results of joint ventures	–	15	–	–	294	(25)	(43,538)	–	–	(43,254)
Loss before tax										(27,093)
Segment assets	1,594,800	21,854	259,660	2,838,083	1,501,545	–	1,949	92,273	(1,103)	6,309,061
Interests in associates	–	–	–	–	–	454,394	–	341,965	–	796,359
Interests in joint ventures	–	383	–	–	–	2,474	88,084	–	–	90,941
Unallocated assets										75,942
Total assets										7,272,303
Segment liabilities	302,206	209	–	471,553	580,760	420,374	91,136	432,256	(185,794)	2,112,700
Unallocated liabilities										596,867
Total liabilities										2,709,567
Other segment information:										
Capital expenditure *(Note)*	58,367	–	–	–	109,541	–	393	–	–	168,301
Depreciation	(18,731)	–	–	–	(42,681)	–	(52)	(37)	–	(61,501)
Amortisation of intangible assets	–	–	–	–	(104)	–	–	–	–	(104)
Interest income	–	–	7,588	2,083	3,426	–	–	88	–	13,185
Finance costs	–	–	–	–	(1,745)	–	–	(701)	–	(2,446)
Gain/(Loss) on disposal of:										
A subsidiary	–	(14,560)	–	–	–	–	–	–	–	(14,560)
A joint venture	–	–	–	–	14,678	–	–	–	–	14,678
A joint operation	–	–	–	–	–	–	(105)	–	–	(105)
Fixed assets	–	–	–	–	21,657	–	(3)	–	–	21,654
Available-for-sale financial assets	–	–	–	7,767	–	–	–	–	–	7,767
Gain on deemed disposal of an associate	–	–	–	–	–	4,859	–	–	–	4,859
Gain on derecognition of available-for-sale financial assets	–	–	–	–	–	12,919	–	–	–	12,919
Write-back of provisions/(Provisions) for impairment losses on:										
Fixed assets	–	–	–	–	13,227	–	–	–	–	13,227
Available-for-sale financial assets	–	–	–	(11,267)	(12,628)	–	–	–	–	(23,895)
Inventories	–	–	–	–	(7,774)	–	–	–	–	(7,774)
Loans and receivables	–	–	–	–	(2,338)	–	21,475	(15,029)	–	4,108
Fixed assets written off	–	–	–	–	(3,582)	–	–	–	–	(3,582)
Realised translation losses reclassified to the statement of profit or loss relating to:										
Liquidation of foreign operations	–	–	–	–	(13,665)	–	–	–	–	(13,665)
Settlement of intercompany dividend	–	–	–	–	(10,054)	–	–	–	–	(10,054)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	–	–	–	(37,594)	(5,586)	484	–	–	–	(42,696)
Net fair value gain on investment properties	87,492	–	–	–	–	–	–	–	–	87,492
Unallocated:										
Capital expenditure *(Note)*										56,715
Depreciation										(5,863)
Gain on disposal of fixed assets										66
Finance costs										(31,479)

Note: Capital expenditure includes additions to fixed assets, investment properties and exploration and evaluation assets.

Geographical information

(a) Revenue from external customers

	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**279,297**	282,521
Mainland China	**13,993**	15,628
Republic of Singapore	**1,512,233**	1,494,154
Malaysia	**665,924**	592,946
Other	**13,427**	15,388
	2,484,874	2,400,637

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

(b) Non-current assets

	2019	2018
	HK$'000	*HK$'000*
		(Restated)
Hong Kong	**1,316,872**	1,313,124
Mainland China	**202,060**	213,396
Republic of Singapore	**1,094,754**	1,160,249
Malaysia	**132,440**	82,206
United States of America	**9,420**	97,501
Other	**42,073**	43,972
	2,797,619	2,910,448

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$416,916,000 for the year ended 31 March 2019 (2018 — HK$428,627,000) was derived from sales by the food businesses segment to a single customer.

4. REVENUE

An analysis of revenue is as follows:

	2019	2018
	HK$'000	*HK$'000*
Revenue from contracts with customers:	**2,250,414**	—
Sale of goods and fast-moving consumer products	**—**	1,706,766
Sale of food and beverage	**—**	449,552
Sale of properties	**—**	3,556
Provision of management services	**—**	13,034
Revenue from other sources:		
Fees charged to food court tenants	**136,958**	130,525
Property rental income	**29,402**	32,818
Interest income	**21,605**	13,097
Dividend income	**26,162**	24,928
Other	**20,333**	26,361
	2,484,874	2,400,637

Revenue from contracts with customers
Disaggregated revenue information
Year ended 31 March 2019

Segments	**Food businesses**	**Other**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Types of goods or services:			
Sale of goods and fast-moving consumer products	**1,788,264**	**—**	**1,788,264**
Sale of food and beverage	**448,374**	**—**	**448,374**
Provision of management services	**—**	**13,776**	**13,776**
Total revenue from contracts with customers	**2,236,638**	**13,776**	**2,250,414**
Geographical markets:			
Hong Kong	**240,447**	**11,220**	**251,667**
Mainland China	**—**	**2,556**	**2,556**
Republic of Singapore	**1,348,935**	**—**	**1,348,935**
Malaysia	**647,256**	**—**	**647,256**
Total revenue from contracts with customers	**2,236,638**	**13,776**	**2,250,414**
Timing of revenue recognition:			
Goods transferred at a point in time	**2,236,638**	**—**	**2,236,638**
Services transferred over time	**—**	**13,776**	**13,776**
Total revenue from contracts with customers	**2,236,638**	**13,776**	**2,250,414**

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Year ended 31 March 2019

Segments	Food businesses *HK$'000*	Other *HK$'000*	Total *HK$'000*
Revenue from contracts with external customers	**2,236,638**	**13,776**	**2,250,414**
Revenue from other sources — external	**159,863**	**292**	**160,155**
Total segment revenue	**2,396,501**	**14,068**	**2,410,569**

5. OTHER INCOME

	2019 *HK$'000*	2018 *HK$'000*
Recovery of costs from food court tenants	**32,284**	30,313
Interest income from promissory note	**824**	88
	33,108	30,401

6. OTHER GAINS/(LOSSES) — NET

	2019 *HK$'000*	2018 *HK$'000*
Gain/(Loss) on disposal of:		
Fixed assets	**(2,402)**	21,720
A joint venture	**—**	14,678
A joint operation	**—**	(105)
An associate	**5**	—
Available-for-sale financial assets	**—**	7,767
Gain on deemed disposal of an associate	**—**	4,859
Gain on derecognition of available-for-sale financial assets	**—**	12,919
Write-back of provisions/(Provisions) for impairment losses on:		
Intangible assets	**(10,681)**	—
Fixed assets	**3,262**	13,227
An associate	**(22,698)**	—
A joint venture	**(41)**	—
Available-for-sale financial assets	**—**	(23,895)
Inventories	**(8,158)**	(7,774)
Loans and receivables	**(2,535)**	4,108
Fixed assets written off	**(6,720)**	(3,582)
Foreign exchange gains/(losses) — net	**(2,449)**	19,272
Realised translation gains/(losses) reclassified to the statement of profit or loss relating to:		
Liquidation of foreign operations	**9,501**	(13,665)
Settlement of intercompany dividend	**—**	(10,054)
	(42,916)	39,475

7. PROFIT/(LOSS) BEFORE TAX

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

	2019	2018
	HK$'000	*HK$'000*
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Held for trading financial assets at fair value through profit or loss:		
Equity securities	**(189,354)**	(38,859)
Debt securities	**(2,452)**	2,261
Investment funds	**(18,039)**	25,574
Other financial assets mandatorily classified at fair value through profit or loss:		
Debt securities	**4,239**	—
Investment funds	**34,728**	—
Equity linked notes	**15,585**	(5,520)
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	**(1,059)**	(2,326)
Derivative financial instruments	**(30,676)**	(23,826)
	(187,028)	(42,696)
Interest income:		
Financial assets at fair value through profit or loss	**8,690**	2,016
Available-for-sale financial assets	**—**	67
Promissory note	**824**	88
Other	**12,915**	11,014
Depreciation	**(68,912)**	(67,364)
Amortisation of intangible assets	**—**	(104)
Cost of properties sold	**—**	(3,679)
Cost of inventories sold	**(1,401,471)**	(1,337,187)
Selling and distribution expenses#	**(161,934)**	(129,772)
Legal and professional fees#	**(42,336)**	(52,076)
Consultancy and service fees#	**(49,186)**	(22,131)
Utilities charges#	**(42,296)**	(44,174)
Repairs and maintenance expenses#	**(31,579)**	(31,013)
Investment advisory fee#	**(3,130)**	(12,829)
Donations#	**(4,510)**	(26,415)

The amounts are included in "Other operating expenses" in the consolidated statement of profit or loss.

8. SHARE OF RESULTS OF JOINT VENTURES

Share of results of joint ventures for the year ended 31 March 2019 mainly included share of loss of Collyer Quay Limited ("CQL"). CQL is a joint venture consortium to invest in a company (the "JV Company") principally engaged in exploration, extraction and processing of mineral resources. Due to the drop in copper price and the increased production cost during the year, the JV Company put the mine into care and maintenance mode in order to minimise the costs incurred. As a result, CQL fully impaired its investment in the JV Company and the Group shared a loss of HK$88,325,000 from the joint venture for the year ended 31 March 2019 (2018 — HK$43,538,000).

Reference was made to the Group's interest in a minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset, prior to the events described below, was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that owned a number of copper ore deposits in the Milford Mineral Belt in Beaver County, State of Utah in the U.S.A. and had engaged in the business of mining and processing copper and other minerals. The JV Company acquired all or substantially all of the mining assets (the "Assets") held by CS Mining in a court-supervised sale process under its bankruptcy proceedings in August 2017. In January 2018, a verified complaint (the "Complaint") was filed in a United States state court in Delaware by the majority investors in Skye individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group. The Complaint alleges, among other things, that the majority investors directly and derivatively through their ownership of Skye, suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Group on CS Mining. The Group believes that the Complaint is frivolous and wholly without merit and has opposed, and will continue to vigorously oppose, the allegations set forth in the Complaint (including any amendments thereto) and any other claim that the majority investors in Skye may seek to bring against the Group. The Group has filed a motion to dismiss the Complaint on numerous grounds, and the motion to dismiss, as of the date hereof, remains pending.

9. INCOME TAX

	2019	2018
	HK$'000	*HK$'000*
Hong Kong:		
Charge for the year	**1,299**	2,142
Deferred	**(715)**	1,874
	584	4,016
Overseas:		
Charge for the year	**36,177**	36,950
Overprovision in prior years	**(20,349)**	(15,344)
Deferred:		
Current year	**(1,319)**	(2,891)
Effect of change in tax rate	**—**	(317)
	14,509	18,398
Total charge for the year	**15,093**	22,414

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5%, as appropriate (2018 — 16.5%) on the estimated assessable profits arising in Hong Kong during the year. For the companies operating in the Republic of Singapore and mainland China, corporate taxes have been calculated on the estimated assessable profits for the year at the rates of 17% and 25% (2018 — 17% and 25%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

10. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(a) Basic loss per share

Basic loss per share is calculated based on (i) the consolidated 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 (2018 — approximately 9,186,913,000 ordinary shares) in issue during the year.

(b) Diluted loss per share

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2019 and 2018.

11. DIVIDENDS

	2019	2018
	HK$'000	*HK$'000*
Interim dividend, declared, of HK0.2 cent (2018 — HK0.2 cent) per ordinary share	**18,374**	18,374
Final dividend, proposed, of HK0.5 cent (2018 — HK0.5 cent) per ordinary share	**45,935**	45,935
Special final dividend, proposed, of HK2 cents (2018 — Nil) per ordinary share	**183,738**	–
	248,047	64,309

The proposed final and special final dividends for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

12. DEBTORS, PREPAYMENTS AND OTHER ASSETS

Trade debtors mainly related to food businesses operation. Included in the balances are trade debtors with an ageing analysis, based on the invoice date and net of loss allowance, as follows:

	2019	2018
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days	**27,405**	249,760
Between 31 and 60 days	**17,244**	65,834
Between 61 and 90 days	**13,382**	45,449
Between 91 and 180 days	**1,696**	25,362
Over 180 days	**—**	102
	59,727	386,507

13. CREDITORS, ACCRUALS AND OTHER LIABILITIES

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

	2019	2018
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days *(Note)*	**47,206**	652,662
Between 31 and 60 days	**10,180**	60,031
Between 61 and 90 days	**625**	13,070
Between 91 and 180 days	**828**	14,212
Over 180 days	**313**	407
	59,152	740,382

Note: The balance as at 31 March 2018 included payables for settlement of various securities investments of HK$460,970,000 which had been settled within 30 days after the end of the reporting period.

14. DISPOSAL OF SUBSIDIARIES

	2019	2018
	HK$'000	*HK$'000*
Net assets disposed of:		
Intangible assets	**14,388**	—
Fixed assets	**19,070**	79
Deferred tax assets	**7,754**	—
Properties under development	**—**	203,832
Inventories	**255,558**	—
Debtors, prepayments and other assets	**291,556**	—
Tax recoverable	**3,851**	—
Cash and cash equivalents	**55,495**	338
Bank and other borrowings	**(56,471)**	—
Creditors, accruals and other liabilities	**(275,142)**	(338)
Tax payable	**(5,156)**	—
	310,903	203,911
Release of cumulative exchange differences on translation of foreign operations	**28,936**	13,155
	339,839	217,066
Gain/(Loss) on disposal	**873,928**	(14,560)
	1,213,767	202,506
Satisfied by:		
Cash	**1,213,767**	182,091
Other receivables	**—**	20,415
	1,213,767	202,506

15. COMPARATIVE AMOUNTS

(a) During the year ended 31 March 2018, the Group acquired 39.9% equity interests in TIH Limited, an associate of the Company. The purchase price allocation exercise of the acquisition was completed during the current year. As a consequence, comparative amounts have been restated as if the accounting for the acquisition of the associate had been completed during the year ended 31 March 2018. These retrospective adjustments led to an increase in share of loss of associates and loss attributable to equity holders of the Company of HK$4,988,000 in consolidated statement of profit or loss for the year ended 31 March 2018, a decrease in interests in associates of HK$9,589,000 and a decrease in the investment revaluation reserve of HK$4,601,000 in the Group's consolidated statement of financial position as at 31 March 2018. As a result, the equity attributable to equity holders of the Company was decreased by HK$9,589,000 as at 31 March 2018 and the loss per share amount attributable to the equity holders of the Company was increased by HK0.05 cent for the year ended 31 March 2018.

(b) The Group had initially applied HKFRS 9 and HKFRS 15 on 1 April 2018. Under the transition methods chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in Note 2 to the final results.

(c) Certain comparative amounts have been reclassified to conform with the current year's presentation and disclosures.

BUSINESS REVIEW

Overview

Global economic growth slowed notably, particularly in the second half of the financial year under review. Trade tensions, Brexit negotiations, cautious market sentiments and geopolitical environment have added uncertainties to the global economy. Such uncertainties have affected business confidence and increased volatility in global financial markets. Against this backdrop, the performance of the Group during the financial year under review was invariably affected. However, the Group successfully executed corporate transactions that management believes would be essential to its growth in future.

Results for the Year

The Group recorded a consolidated loss attributable to shareholders of approximately HK$78 million for the year ended 31 March 2019 (the "Year"), as compared to a consolidated loss of approximately HK$122 million (restated following the completion of purchase price allocation exercise in respect of the Group's acquisition of an associate) for the year ended 31 March 2018 (the "Last Year" or "2018"). The loss for the Year was mainly attributable to higher net fair value loss on financial instruments at fair value through profit or loss due to the volatile stock markets and share of loss from its joint ventures, but these were offset by the gain on disposal of certain subsidiaries of the Group in the food businesses segment.

Revenue for the Year totalled HK$2,485 million (2018 — HK$2,401 million). Food businesses are the principal sources of revenue of the Group, contributing to 96% (2018 — 96%) of total revenue for the Year.

The Group's other operating expenses included mainly selling and distribution expenses and utilities charges for food businesses, legal and professional fees, consultancy and service fees, repairs and maintenance expenses and donations. Total other operating expenses increased to HK$394 million for the Year (2018 — HK$384 million). The higher other operating expenses was mainly due to increase in distribution costs, selling and marketing expenses by HK$32 million and consultancy and service fees by HK$27 million, though offset by the decrease in donations by HK$22 million, legal and professional fees by HK$10 million and investment advisory fee by HK$10 million during the Year.

Food businesses

The Group's food businesses segment recorded a revenue of HK$2,397 million (2018 — HK$2,316 million), mainly from wholesale and distribution of fast-moving consumer goods, food manufacturing and the food retail operations in chains of cafés and bistros.

In December 2018, Auric Pacific Group Limited ("Auric", a 50.3% subsidiary of the Company, together with its subsidiaries, the "APGL Group") entered into agreements with independent third parties for the disposal of its interest in Auric Pacific Marketing Pte. Ltd., Centurion Marketing Pte. Ltd. and Auric Pacific (M) Sdn. Bhd. (together, the "Disposal Companies") for an aggregate consideration of approximately S$215 million (the "Disposals"). The Disposal Companies are principally engaged in the wholesale distribution and manufacture of food and allied fast-moving consumer products such as butter and margarine in Singapore and Malaysia. The Disposals were completed in March 2019. The consideration for the Disposals was attractive and gave rise to a non-recurring gain of approximately HK$858 million, of which the Group's attributable share amounted to HK$345 million.

Including the gain on the Disposals of HK$858 million, the segment recorded a profit of HK$975 million for the Year (2018 — HK$159 million). The Group intends to continue to engage in manufacturing of bakery products and food retail in chains of bakeries, cafes and bistros in Singapore and Hong Kong. In order to broaden its production capacity and lower its cost of production, the Group is constructing a new food factory in Malaysia. It has enhanced the food courts and self-operated stalls including the opening of an additional food court in Singapore in April 2019. Another food court will be opened in Malaysia in September 2019. The Group is also developing a new food retail brand in Hong Kong and its first store is going to be opened in the second half of 2019 in Tsimshatsui.

Property investment

The Group's property investment portfolio is located mainly in Hong Kong and mainland China and provide a stable recurring income to the Group.

Segment revenue from the property investment business was mainly attributable to recurrent rental income from the Group's investment properties. The total segment revenue for the Year amounted to HK$35 million (2018 — HK$42 million). Coupled with the fair value gain on investment properties of HK$35 million (2018 — HK$87 million), the segment reported a profit of HK$55 million for the Year (2018 — HK$99 million).

Treasury and securities investments

The Group managed its investment portfolio in accordance with its investment committee's terms of reference and looked for opportunities to enhance yields and seek gains. The Group invested in a diversified portfolio including listed and unlisted equity securities, debt securities, investment funds and other structural products. Treasury and securities investments businesses recorded a total revenue of HK$45 million during the Year (2018 — HK$35 million), mainly attributable to the interest income and dividend income received from the investment portfolio. The stock markets were volatile during the Year and the Group recorded net fair value loss in the statement of profit or loss from its securities investments of HK$193 million for the Year under this segment (2018 — HK$38 million). The net fair value loss included unrealised loss of HK$159 million (2018 — HK$92 million) from the changes in fair value of financial instruments in this category and realised loss on disposal of HK$34 million (2018 — gain of HK$54 million). The unrealised loss was a non-cash item subject to volatility of the stock markets. As a result, the treasury and securities investments businesses recorded a net loss of HK$170 million in the statement of profit or loss for the Year (2018 — HK$18 million).

As at 31 March 2019, the treasury and securities investments portfolio of HK$2,076 million (31 March 2018 — HK$3,098 million) comprised mainly cash and bank balances of HK$755 million (31 March 2018 — HK$964 million), financial assets at fair value through profit or loss ("FVPL") of HK$961 million (31 March 2018 — HK$1,738 million) and financial assets at fair value through other comprehensive income ("FVOCI") of HK$356 million (31 March 2018 — Nil). The balance as at 31 March 2018 also included available-for-sale financial assets of HK$393 million. Further details of securities investments under different categories are as follows:

Financial assets at fair value through profit or loss

As of 31 March 2019, the Group's financial assets at FVPL amounted to HK$961 million (31 March 2018 — HK$1,738 million), comprising equity securities of HK$569 million (31 March 2018 — HK$808 million), debt securities of HK$20 million (31 March 2018 — HK$196 million) and investment funds of HK$372 million (31 March 2018 — HK$358 million). The balance as at 31 March 2018 also included equity linked notes ("ELNs") of HK$376 million.

Details of the major financial assets at FVPL were as follows:

	As at 31 March 2019			As at 31 March 2018	For the year ended 31 March 2019
	Fair value *HK$'000*	Approximate percentage of financial assets at FVPL	Approximate percentage to the net assets	Fair value *HK$'000*	Net fair value gain/(loss) *HK$'000*
GSH Corporation Limited ("GSH")	132,830	14%	3%	220,941	(88,111)
Tencent Holdings Limited ("Tencent")	88,066	9%	2%	69,930	(28,246)
Quantedge Global Fund ("Quantedge")	65,030	7%	1%	*	(2,857)
Ascapia Fund II ("Ascapia")	58,298	6%	1%	*	(5,069)
PPDAI Group Inc. ("PPDAI")	58,027	6%	1%	114,326	(56,295)
Others *(Note)*	558,858	58%	12%	1,332,913	25,285
Total	961,109	100%	20%	1,738,110	(155,293)

* *Reclassified from available-for-sale financial assets to financial assets at FVPL upon adoption of the new accounting standard for financial instruments on 1 April 2018. The fair value of Quantedge and Ascapia as at 1 April 2018 was HK$68,802,000 and HK$35,568,000, respectively.*

Note: Others comprised of various securities, none of which accounted for more than 5% financial assets at FVPL as at 31 March 2019.

GSH

As at 31 March 2019, the fair value of the Group's equity securities in GSH amounted to HK$133 million, representing approximately 14% of the Group's total financial assets at FVPL. GSH, having its shares listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), is a property developer in Southeast Asia with certain properties under development in Kuala Lumpur and Kota Kinabalu, Malaysia. The pre-sale of one of its residential projects in Kuala Lumpur received satisfactory response. GSH also owns and operates two hotels at Sutera Harbour Resort in Kota Kinabalu. In April 2018, GSH completed the acquisition of a 50% stake in a prime land parcel in the heart of Kuala Lumpur's Chinatown that could potentially be developed into a premium condominium. The Group received dividend income from GSH of HK$6 million for the Year. Given the volatility in the stock markets, the share price performance of GSH was not satisfactory, resulting in an unrealised fair value loss of HK$88 million recognised for the Year. The share price performance of GSH may continue to fluctuate due to the prevailing stock market conditions, which is not directly related to the actual operational performance of GSH.

Tencent Shares

Commencing last financial year, the Group acquired shares in Tencent (the "Tencent Shares"). As at 31 March 2019, the fair value of such Tencent Shares amounted to HK$88 million, representing approximately 9% of the Group's total financial assets at FVPL. The share price of Tencent Shares was very volatile for the Year, resulting in a fair value loss of HK$28 million being recognised for the Year.

Tencent is a Chinese multinational investment holding conglomerate founded in 1998, whose subsidiaries specialise in various internet-related services and products, entertainment, artificial intelligence and technology both in the PRC and globally. Tencent is one of the world's most valuable technology conglomerates, one of the world's largest social media groups, venture capital firms and investment corporations. Its many services include social network, music, web portals, e-commerce, mobile games, internet services, payment systems, smartphones, and multiplayer online games, which are all among the world's biggest and most successful in their respective categories. Offerings in the PRC include the instant messenger Tencent QQ and one of the largest web portals, QQ.com. It also owns the majority of the PRC's music services (Tencent Music Entertainment).

Quantedge

The investment objective of Quantedge, an unlisted investment fund, is to achieve absolute long-term capital growth by investing in multiple asset classes across the globe, accordingly the investment results may vary substantially over short periods of time. Its goal is in line with the Group's investment strategy and the Group subscribed for units of Quantedge in early 2018. The investment is for long-term strategic purpose and was classified as available-for-sale financial asset as at 31 March 2018. Following the adoption of the new accounting standard for financial instruments, Quantedge was classified as financial asset at fair value through profit or loss since 1 April 2018. As at 31 March 2019, the fair value of the Group's equity securities in Quantedge amounted to HK$65 million, representing approximately 7% of the Group's total financial assets at FVPL. The Group reported a fair value loss of HK$3 million for its investment in Quantedge for the Year, primarily due to underperformance of its major asset classes in global commodities and global currencies. Quantedge has a track record of delivering superior returns and is optimistic about its future returns by continuing to invest in research and actively identify new sources of risk premiums to further diversify the fund and increase the robustness of its future returns and with the objective to outperform other assets over the long run. The Group will continue to hold Quantedge for long-term strategic purpose.

Ascapia

As at 31 March 2019, the fair value of the Group's investment in Ascapia amounted to HK$58 million, representing approximately 6% of the Group's total financial assets at FVPL. The Group invested in Ascapia for strategic purpose from the beginning of year 2018 and was recorded as available-for-sale financial asset as at 31 March 2018. Same as Quantedge, investment in Ascapia was reclassified to financial asset at FVPL since 1 April 2018.

Ascapia is an unlisted investment fund with investment objective to preserve capital and deliver attractive risk-adjusted returns and to outperform the market indices in bearish markets. The investment approach is based on the premise that companies can often trade at attractive discounts to intrinsic value. This includes securities that trade meaningfully below the investment manager's estimated net asset value of the relevant entity which operates good quality businesses where the investment manager expects such entity to grow earnings significantly over time. The investment manager of Ascapia looks for situations where management is or will be incentivised to align with shareholders and that there are catalysts for change that the market is underestimating. The investment manager seeks to avoid securities that it considers to be fraudulent, faddish, or financially unsustainable and actively attempts to hedge tail-risk with currency, commodities or futures. The Group reported a fair value loss of HK$5 million for its investment in Ascapia for the year, primarily due to short term volatility and underperformance of certain equity investments in the fund. The investment approach of Ascapia aligns with the Group's investment strategy and the Group will continue to maintain its position in the Group's investment portfolio.

PPDAI

As at 31 March 2019, the Group held American Depository Shares ("ADSs") of PPDAI with a carrying amount of HK$58 million, representing approximately 6% of the Group's total financial assets at FVPL.

PPDAI's ADSs are listed on the New York Stock Exchange. It is one of the leading online consumer finance marketplace operators in the PRC with strong brand recognition. Launched in 2007, PPDAI is one of the first entrants in online financing service in the PRC connecting borrowers and investors, whose needs have not been met by traditional financial institutions. PPDAI generates revenues primarily from fees charged to borrowers for PPDAI's services in matching them with investors and for other related services. As of 31 March 2019, PPDAI had approximately 93.9 million cumulative registered users and reached 15.4 million cumulative number of borrowers. Based on its unaudited financial results for the three months ended 31 March 2019 ("Q1 2019"), operating revenues increased by 52.6% to RMB1,458.3 million in Q1 2019 from RMB955.4 million in the same period of 2018, and net profit substantially increased by 60.7% to RMB703.1 million in Q1 2019 from RMB437.6 million in the same period of 2018.

After the initial public offering (the "IPO") of PPDAI's ADSs, an announcement was made by the PRC Government putting a cap on the interest rate and restriction on the licensing in the online financing industry which adversely affected many companies in this sector including PPDAI as reflected in their share price. Hence, the share price performance of PPDAI's ADSs was not satisfactory. It also came to the Group's attention that a class action lawsuit has been filed by law firms in the U.S.A. against PPDAI. The filed complaint concerned whether PPDAI's filings with the U.S. Securities and Exchange Commission in connection with the IPO contained untrue statements or omitted material information regarding PPDAI's business practices, the interest rates on loans or the quality of loans. The Group recorded an unrealised fair value loss of HK$56 million from its investment in PPDAI for the Year. Volatility in share price of PPDAI's ADSs is expected as regulators in the PRC are pushing through tough reforms in the Peer-to-Peer lending industry.

Financial assets at fair value through other comprehensive income

In addition to the above investments under financial assets at FVPL, the Group also invests in listed and unlisted equity securities which are held for long term strategic purposes. Such investments were recorded under financial assets at FVOCI upon adoption of the new accounting standard for financial instruments on 1 April 2018. As at 31 March 2019, the fair value of such investments amounted to approximately HK$356 million. During the Year, unrealised fair value gain of HK$95 million was recognised in other comprehensive income from these investments. The major investments under this category are Tencent Shares and investments in eBroker Holding Limited ("eBroker"), which accounted for 93% of the Group's total financial assets at FVOCI as at 31 March 2019.

As at 31 March 2019, the major investment under this category was the Tencent Shares received on the expiry of the ELNs linked to Tencent Shares during the Year. The Group recorded a realised gain in the statement of profit or loss of HK$15 million upon maturity of the ELNs. These Tencent Shares are not intended to be held for trading and was designated at FVOCI at initial recognition. As at 31 March 2019, the fair value of these Tencent Shares amounted to HK$219 million, representing 62% of the Group's total financial assets at FVOCI. Unrealised fair value loss of HK$11 million was recorded in other comprehensive income due to the volatile share price performance as mentioned above.

During the Year, the Group further participated in eBroker's financing. Together with participation in previous round financing in Last Year, the fair value of total investments in eBroker amounted to HK$111 million as at 31 March 2019, representing 31% of the Group's total financial assets at FVOCI. Unrealised fair value gain of HK$103 million was recorded in other comprehensive income for the Year, by reference to the subscription price of the latest round financing in early 2019. Established in September 2015 in Shanghai, the PRC, eBroker conducts its business under the brand name of eDaili (e代理). Its core business is acting as an agent between wealthy individuals in mainland China and financial institutions as well as insurance issuers in overseas via its online wealth management platform. It has a very strong growth in business, in terms of customers, revenue and net profit, since its establishment. There will be no change in business direction. Whether the Group will continue to participate in its future round's funding will depend on its business growth rate and financial results as well as the valuation, among other factors.

Healthcare services

The Group's healthcare services business is mainly carried out through its investments in Healthway Medical Corporation Limited ("Healthway", together with its subsidiaries, the "HMC Group"), an associate of the Company.

In Singapore and in the Southeast Asia region, the long-term growth outlook for the healthcare sector continues to be driven by an ageing population and a rising middle class. The Group is optimistic about the prospects in the healthcare industry in Singapore, and has established its presence in this field. The Group is interested in approximately 40.82% of the issued shares in Healthway. Healthway is a company listed on the sponsor-supervised listing platform of the SGX-ST and a well-established private healthcare provider in Singapore. The HMC Group owns, operates and manages close to 100 medical centres and clinics. Healthway continued to strengthen its foundation through a series of business optimisation initiatives, in line with its rebranding. It began refurbishment works in some of the clinics to better cater to the needs of patients across Singapore and in the process of closing certain non-performing clinics. Accordingly, there was an increase in expenses and provision for onerous lease contracts. As a result of the above measures, Healthway was able to narrow its losses and the Group's share of loss from the HMC Group amounted to HK$16 million (2018 — HK$23 million). Coupled with the impact of depreciation of Singapore dollar during the Year, the Group's interest in Healthway decreased to HK$424 million (31 March 2018 — HK$454 million). As highlighted in the Singapore Budget 2019, the Community Health Assist Scheme ("CHAS") will be expanded to cover all Singaporeans, regardless of income, for chronic conditions such as diabetes and osteoarthritis. Consequently, more patients will be able to benefit from affordable and accessible healthcare services. This policy update, together with Singapore's ageing population, is expected to drive up patient numbers at clinics across Singapore. Thus, with the expansion of CHAS, Healthway expects clinics to see an increase in patient numbers. To heighten efficiency across all levels of the organization, Healthway is working towards enhancing its IT services, to ensure Healthway remains competitive and efficient in a data-driven and technology-enabled society.

Mineral exploration and extraction

Reference was made to the Group's interest in a minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset, prior to the events described below, was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that owned a number of copper ore deposits in the Milford Mineral Belt in Beaver County, State of Utah in the U.S.A. and had engaged in the business of mining and processing copper and other minerals. Subsequently, the Group invested in Collyer Quay Limited ("CQL"), a joint venture of the Company, for an investment in a joint venture consortium (the "JV Company"). The JV Company, in which the Group has an effective interest of 45%, acquired all or substantially all of the mining assets (the "Assets") held by CS Mining in a court-supervised sale process under its bankruptcy proceedings in August 2017. In January 2018, a verified complaint (the "Complaint") was filed in a United States state court in Delaware by the majority investors in Skye individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group. The Complaint alleges, among other things, that the majority investors directly and derivatively through their ownership of Skye, suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Group on CS Mining. The Group believes that the Complaint is frivolous and wholly without merit and has opposed, and will continue to vigorously oppose, the allegations set forth in the Complaint (including any amendments thereto) and any other claim that the majority investors in Skye may seek to bring against the Group. The Group has filed a motion to dismiss the Complaint on numerous grounds, and the motion to dismiss, as of the date hereof, remains pending.

Following the acquisition of the Assets by the JV Company, the JV Company had commenced the copper production since the last quarter of 2017. Due to the drop in copper price and the increased production cost during the Year, the JV Company put the mine into care and maintenance mode in early 2019 in order to minimise the costs incurred. As a result, CQL fully impaired its investment in the JV Company and the Group shared a loss of joint venture of HK$88 million for the Year (2018 — HK$44 million) with nil carrying amount as at 31 March 2019 (31 March 2018 — HK$88 million). After taking into account other operating costs in relation to the segment, segment loss before accounting for the share of results of joint ventures for the Year amounted to HK$17 million (2018 — HK$11 million after a write-back of provision for impairment losses on loans and receivables of HK$21 million).

Other business

In order to expand its scope of business in securities and fund investments in Asia, the Group had acquired 39.9% interest in TIH Limited ("TIH"), a company listed on the Main Board of the SGX-ST in early 2018. TIH is an associate of the Group. The Group recorded a share of profit of HK$5 million from its investment in TIH for the Year (2018 — loss of HK$1 million, restated due to the completion of purchase price allocation exercise in respect of the Group's acquisition), mainly attributable to the fair value gain on its investments at FVPL. As at 31 March 2019, the carrying amount of the investments exceeded the market value of TIH due to the volatile stock market during the Year. The Group carried out an impairment assessment for the investment with reference to the estimated recoverable amount of the investments in TIH and impairment of HK$23 million (2018 — Nil) which represented the goodwill arising from the acquisition in 2018 was made during the Year. Coupled with the effect of depreciation of Singapore dollar during the Year, the interests in TIH as at 31 March 2019 decreased to HK$296 million (31 March 2018 — HK$324 million, restated). It is expected that TIH will leverage on the uncertainty in the current financial market and will continue to actively identify special situations, corporates deleveraging and non-core secondary assets at attractive valuations. Additionally, TIH's experience in corporate finance and extensive network of strategic relationships in Greater China and Southeast Asia enables it to expertly source for opportunities for venture capital investments and long-term investments in attractive companies.

Financial Position

The Group's financial position remained healthy. As at 31 March 2019, its total assets amounted to HK$6.9 billion (31 March 2018 — HK$7.3 billion, restated). Property-related assets amounted to HK$1.6 billion as at 31 March 2019 (31 March 2018 — HK$1.6 billion), representing 23% (31 March 2018 — 22%, restated) of the total assets. Total liabilities decreased to HK$1.9 billion (31 March 2018 — HK$2.7 billion), mainly due to the decreased trade payables for securities investments and the disposal of subsidiaries by the Group. Current ratio as at 31 March 2019 amounted to 2.9 (31 March 2018 — 2.1).

As at 31 March 2019, total cash and bank balances (consisting of cash and cash equivalents, time deposits with original maturity of more than three months and restricted cash) amounted to HK$2,390 million (31 March 2018 — HK$1,341 million). The increase in the total cash and bank balances was mainly due to consideration received from disposal of subsidiaries during the Year. Restricted cash balance as at 31 March 2019 amounted to HK$60 million (31 March 2018 — HK$66 million).

As at 31 March 2019, bank and other borrowings of the Group amounted to HK$1,268 million (31 March 2018 — HK$1,362 million), which included bank loans of HK$982 million (31 March 2018 — HK$1,066 million), unsecured notes of HK$285 million (31 March 2018 — HK$295 million) and obligations under finance leases of HK$0.4 million (31 March 2018 — HK$1 million).

As at 31 March 2019, the bank loans comprised secured bank loans of HK$758 million (31 March 2018 — HK$1,027 million) and unsecured bank loans of HK$224 million (31 March 2018 — HK$39 million) and were denominated mainly in Hong Kong dollars and Singapore dollars. The bank loans were secured by certain properties of the Group. All of the bank loans carried interest at floating rates. The unsecured notes were unsecured, denominated in Singapore dollars, and carried interest at a rate of 2.25% per annum. The obligations under finance leases were secured by the rights to the leased fixed assets. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure.

As at 31 March 2019, approximately 46% (31 March 2018 — 46%) of the bank and other borrowings were repayable within one year. As at 31 March 2019, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 29.0% (31 March 2018 — 33.1%, restated).

The net asset value attributable to equity holders of the Company decreased to HK$3.9 billion as at 31 March 2019 (31 March 2018 — HK$4.0 billion, restated), mainly attributable to the loss for the Year and translation loss on foreign operations from the depreciation of Singapore dollars and Renminbi. This was equivalent to HK43 cents per share as at 31 March 2019 (31 March 2018 — HK44 cents per share, restated).

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$37 million as at 31 March 2019 (31 March 2018 — HK$35 million) issued in lieu of rental and utility deposits for the premises used for operation of food businesses. Approximately 45% (31 March 2018 — 58%) 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 (31 March 2018 — Nil).

The Group's commitments are mainly related to securities investments and food businesses. During the Year, the construction of the new factory for the food businesses was commenced. Hence, total commitment as at 31 March 2019 increased to HK$169 million (31 March 2018 — HK$94 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 1,051 full-time employees as at 31 March 2019 (31 March 2018 — 1,765 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Year amounted to HK$491 million (2018 — HK$426 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 outlook remains clouded by uncertainties and downside risks such as escalating trade conflicts, a no-deal Brexit and geopolitical tensions. The deadlock in trade conflict between the U.S.A. and mainland China may further adversely affect business sentiments and consumer confidence.

The Group will continue to be watchful of market developments. We shall stay vigilant in monitoring our investments and seek suitable business opportunities with a view to enhancing shareholder value and sustainable long term return.

DIVIDENDS

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting to be held on Tuesday, 3 September 2019 (the "2019 AGM") the payment of a final dividend of HK0.5 cent per share (2018 — HK0.5 cent per share) amounting to approximately HK$45.9 million for the year ended 31 March 2019 (2018 — approximately HK$45.9 million) and a special final dividend of HK2 cents per share (2018 — Nil) amounting to approximately HK$183.7 million for the year ended 31 March 2019 (2018 — Nil). Together with the interim dividend of HK0.2 cent per share (For the six months ended 30 September 2017 — HK0.2 cent per share) paid in January 2019, total dividends for the year ended 31 March 2019 will be HK2.7 cents per share (2018 — HK0.7 cent per share) amounting to approximately HK$248.0 million (2018 — approximately HK$64.3 million). Subject to the approval of shareholders at the 2019 AGM, the final dividend and special final dividend will be paid on or about Monday, 23 September 2019 to shareholders whose names appear on the Register of Members on Wednesday, 11 September 2019.

CLOSURE OF REGISTER OF MEMBERS

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

(i) from Thursday, 29 August 2019 to Tuesday, 3 September 2019 (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 2019 AGM. In order to be entitled to attend and vote at the 2019 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 at the following address[*(Note)*] not later than 4:30 p.m. on Wednesday, 28 August 2019; and

(ii) from Monday, 9 September 2019 to Wednesday, 11 September 2019 (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 and special final dividend. In order to qualify for the proposed final dividend and special 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 at the following address*(Note)* not later than 4:30 p.m. on Friday, 6 September 2019.

Note: Pursuant to the Company's announcement dated 24 June 2019, the address of the Company's Registrar will be changed from Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019.

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

During the year ended 31 March 2019, 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 shareholder value.

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31 March 2019.

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 31 March 2019.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITOR

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 31 March 2019 (the "Year") as set out in this preliminary announcement have been agreed by the Group's independent auditor, 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, 27 June 2019

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.