HONGKONG CHINESE LIMITED
香港華人有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2019

The Board of Directors (the "**Board**") of Hongkong Chinese Limited (the "**Company**") announce the consolidated final results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2019 (the "**Year**") together with comparative figures for the year ended 31 March 2018 ("**2018**") as follows:

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

	Note	**2019** **HK$'000**	2018 *HK$'000* (Restated)
Continuing operations			
Revenue	*4*	**71,155**	101,144
Cost of sales	*5*	**(2,889)**	(8,016)
Gross profit		**68,266**	93,128
Administrative expenses		**(42,044)**	(45,218)
Other operating expenses		**(53,720)**	(20,358)
Gain on disposal of interests in a joint venture		**–**	113,905
Fair value gain on investment properties		**6,032**	3,035
Net fair value gain on financial instruments at fair value through profit or loss	*5*	**1,016**	27,135
Finance costs		**(17,338)**	(13,530)
Share of results of associates		**5,750**	5,790
Share of results of joint ventures	*6*	**(101,294)**	177,251
Profit/(Loss) before tax from continuing operations	*5*	**(133,332)**	341,138
Income tax	*7*	**(2,350)**	(3,961)
Profit/(Loss) for the year from continuing operations		**(135,682)**	337,177
Discontinued operation			
Profit/(Loss) for the year from discontinued operation	*8*	**145,677**	(11,134)
Profit for the year		**9,995**	326,043
Attributable to:			
Equity holders of the Company		**10,818**	326,840
Non-controlling interests		**(823)**	(797)
		9,995	326,043
		HK cents	*HK cents* (Restated)
Earnings/(Loss) per share attributable to equity holders of the Company	*9*		
Basic and diluted			
– For profit for the year		**0.5**	16.4
– For profit/(loss) from continuing operations		**(6.8)**	16.9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2019

	2019 *HK$'000*	2018 *HK$'000*
Profit for the year	**9,995**	326,043
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	**–**	543
Adjustment for disposal of interests in a joint venture	**–**	167
Exchange differences on translation of foreign operations	**(31,992)**	64,403
Exchange differences reclassified to profit or loss upon:		
Disposal of subsidiaries	**(2,708)**	–
Liquidation of foreign operations	**(2,641)**	1,140
Share of other comprehensive income/(loss) of joint ventures:		
Exchange differences on translation of foreign operations	**(205,036)**	611,635
Changes in fair value of available-for-sale financial assets	**–**	115,339
Other reserves	**(8,048)**	17,112
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax	**(250,425)**	810,339
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity instrument at fair value through other comprehensive income	**(6)**	–
Share of changes in fair value of equity instruments at fair value through other comprehensive income of joint ventures	**29,438**	–
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	**29,432**	–
Other comprehensive income/(loss) for the year, net of tax	**(220,993)**	810,339
Total comprehensive income/(loss) for the year	**(210,998)**	1,136,382
Attributable to:		
Equity holders of the Company	**(207,880)**	1,132,571
Non-controlling interests	**(3,118)**	3,811
	(210,998)	1,136,382
Total comprehensive income/(loss) for the year attributable to equity holders of the Company:		
– From continuing operations	**(350,425)**	1,141,629
– From discontinued operation	**142,545**	(9,058)
	(207,880)	1,132,571

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	2019 HK$'000	2018 HK$'000
Non-current assets			
Fixed assets		**32,486**	38,670
Investment properties		**140,112**	122,328
Interests in associates		**374,295**	381,059
Interests in joint ventures	6	**10,533,021**	10,631,431
Financial assets at fair value through other comprehensive income		**18**	–
Financial assets at fair value through profit or loss		**2,940**	–
Available-for-sale financial assets		**–**	3,175
Other financial asset		**49,087**	48,826
		11,131,959	11,225,489
Current assets			
Properties held for sale		**85,385**	91,653
Properties under development		**29,566**	30,580
Loans and advances		**8,356**	20,833
Debtors, prepayments and deposits	11	**7,920**	36,533
Financial assets at fair value through profit or loss		**16,458**	7,518
Tax recoverable		**197**	–
Client trust bank balances		**–**	300,909
Restricted cash		**–**	1,073
Time deposits with original maturity of more than three months		**–**	4,785
Cash and cash equivalents		**506,525**	539,031
		654,407	1,032,915
Current liabilities			
Bank and other borrowings		**246,667**	–
Creditors, accruals and deposits received	12	**35,638**	471,705
Tax payable		**54,464**	58,786
		336,769	530,491
Net current assets		**317,638**	502,424
Total assets less current liabilities		**11,449,597**	11,727,913

	2019	2018
	HK$'000	*HK$'000*
Non-current liabilities		
Bank and other borrowings	**490,000**	481,667
Deferred tax liabilities	**15,379**	15,234
	505,379	496,901
Net assets	**10,944,218**	11,231,012
Equity		
Equity attributable to equity holders of the Company		
Share capital	**1,998,280**	1,998,280
Reserves	**8,925,069**	9,200,672
	10,923,349	11,198,952
Non-controlling interests	**20,869**	32,060
	10,944,218	11,231,012

Note:

1. BASIS OF PREPARATION

This financial information has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. 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 "**Listing Rules**") and by the Hong Kong Companies Ordinance.

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.

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 joint ventures.

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 joint venture has applied the general approach and recorded lifetime or twelve-month ECLs in accordance with HKFRS 9.

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 (including ECL impact) *HK$'000*	HKFRS 9 carrying amount *HK$'000*
Financial assets							
Available-for-sale financial assets:							
Equity securities	*(i)*	AFS	FVOCI	24	(24)	–	–
Debt securities	*(ii)*	AFS	FVPL	2,880	(2,880)	–	–
Investment funds	*(iii)*	AFS	FVPL	271	(271)	–	–
Financial assets at fair value through other comprehensive income:							
Equity securities	*(i)*	N/A	FVOCI	–	24	–	24
Financial assets at fair value through profit or loss:							
Equity securities		FVPL	FVPL	286	–	–	286
Debt securities	*(ii)*	FVPL	FVPL	–	2,880	–	2,880
Investment funds	*(iii)*	FVPL	FVPL	7,232	271	–	7,503
Loans and advances		L&R	AC	20,833	–	–	20,833
Financial assets included in debtors, prepayments and deposits		L&R	AC	34,900	–	–	34,900
Other financial asset		FVPL	FVPL	48,826	–	–	48,826
Client trust bank balances		L&R	AC	300,909	–	–	300,909
Restricted cash		L&R	AC	1,073	–	–	1,073
Time deposits with original maturity of more than three months		L&R	AC	4,785	–	–	4,785
Cash and cash equivalents		L&R	AC	539,031	–	–	539,031
Total financial assets				961,050	–	–	961,050
Other asset							
Interests in joint ventures	*(iv)*	N/A	N/A	10,631,431	–	(5,556)	10,625,875
Financial liabilities							
Bank and other borrowings		AC	AC	481,667	–	–	481,667
Financial liabilities included in creditors, accruals and deposits received		AC	AC	331,132	–	–	331,132
Total financial liabilities				812,799	–	–	812,799

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*
HKAS 39 carrying amount at 31 March 2018, as previously reported		384,033	7,237,642
ECL adjustments	*(iv)*	110	(5,666)
Transfer from retained profits to fair value reserve of financial assets at FVOCI	*(i)*	(64,000)	64,000
Transfer from fair value reserve of financial assets at FVOCI to retained profits	*(v)*	(575)	575
Transfer of fair value reserve of financial assets at FVOCI by a joint venture	*(vi)*	70	(70)
Balance at 1 April 2018, as adjusted		319,638	7,296,481

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, 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.

(iv) HKFRS 9 ECL decreased the net asset value of a joint venture of the Company. Hence, the Group's interests in joint ventures decreased.

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

(vi) A joint venture 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.

(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.

The Group and some of its associates and joint ventures are engaged in property development. Certain costs incurred in fulfilling a contract which were previously expensed may need to be capitalised as an asset and will be amortised to match the transfer of the development property to the customer under the contract. The Group has elected to apply HKFRS 15 retrospectively only to uncompleted contracts as at 1 April 2018. Except this change of accounting policy, the adoption of HKFRS 15 has insignificant financial effect on the final results.

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 banking business segment engages in the provision of commercial and retail banking services; and

(f) the "other" segment comprises principally money lending and the provision of project management services.

The corporate finance and securities broking segment which provides securities and futures brokerage, investment banking, underwriting and other related advisory services was classified as discontinued operation during the current year (Note 8).

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

	Continuing operations								Discontinued operation		
	Property investment *HK$'000*	Property development *HK$'000*	Treasury investment *HK$'000*	Securities investment *HK$'000*	Banking business *HK$'000*	Other *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*	Corporate finance and securities broking *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
Revenue											
External	58,959	6,083	4,062	574	–	1,477	–	71,155	11,504	–	82,659
Inter-segment	–	–	–	–	–	–	–	–	73	(73)	–
Total	58,959	6,083	4,062	574	–	1,477	–	71,155	11,577	(73)	82,659
Segment results	42,218	1,651	4,062	1,002	261	(2,593)	73	46,674	145,750	(73)	192,351
Unallocated corporate expenses								(84,462)			(84,462)
Share of results of associates	–	5,782	–	–	–	(32)	–	5,750	–	–	5,750
Share of results of joint ventures	(111,827)	2,852	–	–	7,681	–	–	(101,294)	–	–	(101,294)
Profit/(Loss) before tax								(133,332)			12,345
Segment assets	178,318	110,883	476,879	19,416	49,087	8,377	–	842,960	–	–	842,960
Interests in associates	6,476	367,761	–	–	–	58	–	374,295	–	–	374,295
Interests in joint ventures	10,397,143	1,671	–	–	134,207	–	–	10,533,021	–	–	10,533,021
Unallocated assets								36,090	–	–	36,090
Total assets								11,786,366	–	–	11,786,366
Segment liabilities	744,915	7,456	–	82	–	148	–	752,601	–	–	752,601
Unallocated liabilities								89,547	–	–	89,547
Total liabilities								842,148	–	–	842,148
Other segment information:											
Capital expenditure *(Note)*	20,785	–	–	–	–	–	–	20,785	3	–	20,788
Depreciation	(449)	(11)	–	–	–	(27)	–	(487)	(50)	–	(537)
Interest income	52,283	–	4,062	–	–	282	–	56,627	–	–	56,627
Finance costs	(17,338)	–	–	–	–	–	–	(17,338)	–	–	(17,338)
Gain on disposal of subsidiaries	–	–	–	–	–	–	–	–	153,255	–	153,255
Write-back of provisions/ (Provisions) for impairment losses on:											
Fixed assets	(1,782)	–	–	–	–	–	–	(1,782)	–	–	(1,782)
Properties under development	–	(138)	–	–	–	–	–	(138)	–	–	(138)
Properties held for sale	196	–	–	–	–	–	–	196	–	–	196
Loans and receivables	–	–	–	–	–	(3,332)	–	(3,332)	(238)	–	(3,570)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	–	2,093	–	–	–	548	–	2,641	–	–	2,641
Net fair value gain on financial instruments at fair value through profit or loss	–	–	–	755	261	–	–	1,016	–	–	1,016
Fair value gain on investment properties	6,032	–	–	–	–	–	–	6,032	–	–	6,032
Unallocated:											
Capital expenditure *(Note)*								10			10
Depreciation								(6,002)			(6,002)

Year ended 31 March 2018 (restated)

	Continuing operations								Discontinued operation		
	Property investment *HK$'000*	Property development *HK$'000*	Treasury investment *HK$'000*	Securities investment *HK$'000*	Banking business *HK$'000*	Other *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*	Corporate finance and securities broking *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
Revenue											
External	58,570	40,345	1,556	15	–	658	–	101,144	17,388	–	118,532
Inter-segment	–	–	–	–	–	–	–	–	1	(1)	–
Total	58,570	40,345	1,556	15	–	658	–	101,144	17,389	(1)	118,532
Segment results	44,530	24,098	1,556	(414)	141,294	(6,960)	1	204,105	(11,133)	(1)	192,971
Unallocated corporate expenses								(46,008)			(46,008)
Share of results of associates	–	5,821	–	–	–	(31)	–	5,790	–	–	5,790
Share of results of joint ventures	158,538	(46)	–	–	18,759	–	–	177,251	–	–	177,251
Profit before tax								341,138			330,004
Segment assets	162,561	127,472	505,073	10,693	48,826	11,193	–	865,818	327,951	–	1,193,769
Interests in associates	7,101	373,914	–	–	–	44	–	381,059	–	–	381,059
Interests in joint ventures	10,522,724	1,762	–	–	106,945	–	–	10,631,431	–	–	10,631,431
Unallocated assets								52,145	–	–	52,145
Total assets								11,930,453	327,951	–	12,258,404
Segment liabilities	485,858	15,544	–	–	–	50	–	501,452	439,695	–	941,147
Unallocated liabilities								86,245	–	–	86,245
Total liabilities								587,697	439,695	–	1,027,392
Other segment information:											
Capital expenditure *(Note)*	8	–	–	–	–	–	–	8	146	–	154
Depreciation	(81)	(34)	–	–	–	(27)	–	(142)	(134)	–	(276)
Interest income	51,985	–	1,556	–	–	326	–	53,867	–	–	53,867
Finance costs	(13,530)	–	–	–	–	–	–	(13,530)	(27)	–	(13,557)
Gain on disposal of interests in a joint venture	–	–	–	–	113,905	–	–	113,905	–	–	113,905
Write-back of provisions/(Provisions) for impairment losses on:											
A joint venture	–	465	–	–	–	–	–	465	–	–	465
Properties under development	–	(143)	–	–	–	–	–	(143)	–	–	(143)
Properties held for sale	195	–	–	–	–	–	–	195	–	–	195
Loans and receivables	–	–	–	–	–	(771)	–	(771)	(154)	–	(925)
Realised translation losses reclassified to the statement of profit or loss relating to liquidation of foreign operations	–	(1,140)	–	–	–	–	–	(1,140)	–	–	(1,140)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	–	–	–	(254)	27,389	–	–	27,135	–	–	27,135
Fair value gain on investment properties	3,035	–	–	–	–	–	–	3,035	–	–	3,035
Unallocated:											
Capital expenditure *(Note)*								576			576
Depreciation								(5,851)			(5,851)

Note: Capital expenditure includes additions to fixed assets.

Geographical information

(a) Revenue from external customers

	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**3,317**	543
Macau	**5,908**	30,918
Mainland China	**5,773**	14,374
Republic of Singapore	**53,180**	52,073
Other	**2,977**	3,236
Revenue from continuing operations	**71,155**	101,144
Revenue from discontinued operation — Hong Kong	**11,504**	17,388
	82,659	118,532

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

(b) Non-current assets

	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**673**	1,328
Macau	**134,207**	106,945
Mainland China	**81,694**	84,987
Republic of Singapore	**10,673,927**	10,934,621
Indonesia	**139,538**	–
Other	**49,875**	45,607
	11,079,914	11,173,488

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

Information about a major customer

For the year ended 31 March 2019, revenue of approximately HK$52,122,000 (2018 — HK$51,985,000) was derived from interest income from a single customer in the property investment segment.

4. REVENUE

An analysis of revenue from continuing operations is as follows:

	2019 *HK$'000*	2018 *HK$'000*
Revenue from contracts with customers:	**6,533**	–
Sale of properties	**–**	40,345
Revenue from other sources:		
Property rental income	**6,676**	6,585
Interest income	**56,627**	53,867
Dividend income	**574**	15
Other	**745**	332
	71,155	101,144

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

Segments	Property development *HK$'000*	Other *HK$'000*	Total *HK$'000*
Type of goods or services:			
Sale of properties	**6,083**	**–**	**6,083**
Provision of project management services	**–**	**450**	**450**
Total revenue from contracts with customers	**6,083**	**450**	**6,533**
Geographical markets:			
Macau	**5,906**	**–**	**5,906**
Mainland China	**177**	**–**	**177**
Republic of Singapore	**–**	**450**	**450**
Total revenue from contracts with customers	**6,083**	**450**	**6,533**
Timing of revenue recognition:			
Goods transferred at a point in time	**6,083**	**–**	**6,083**
Services transferred over time	**–**	**450**	**450**
Total revenue from contracts with customers	**6,083**	**450**	**6,533**

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	Property development *HK$'000*	Other *HK$'000*	Total *HK$'000*
Revenue from contracts with external customers	**6,083**	**450**	**6,533**
Revenue from other sources — external	**–**	**1,027**	**1,027**
Total segment revenue	**6,083**	**1,477**	**7,560**

5. PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS

Profit/(Loss) before tax from continuing operations 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	**1,239**	(62)
Investment funds	**(551)**	(192)
Other financial assets mandatorily classified at fair value through profit or loss:		
Debt securities	**60**	–
Investment funds	**7**	–
Derivative financial instrument	**261**	27,389
	1,016	27,135
Cost of sales:		
Cost of properties sold	**(849)**	(6,325)
Other	**(2,040)**	(1,691)
	(2,889)	(8,016)
Interest income:		
Loans and advances	**52,565**	52,311
Other	**4,062**	1,556
Write-back of provisions/(Provisions) for impairment losses on: #		
Fixed assets	**(1,782)**	–
A joint venture	**–**	465
Properties under development	**(138)**	(143)
Properties held for sale	**196**	195
Loans and receivables	**(3,332)**	(771)
Depreciation	**(6,489)**	(5,993)
Legal and professional fees#	**(6,742)**	(8,400)
Consultancy and service fees#	**(19,557)**	(8,472)
Donations#	**(5,882)**	–
Foreign exchange gains/(losses) — net#	**(11,811)**	13,819
Realised translation gains/(losses) reclassified to the statement of profit or loss relating to liquidation of foreign operations#	**2,641**	(1,140)

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

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

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

For the year ended 31 March 2019, the Group's share of loss in LAAPL amounted to approximately HK$111,741,000 (2018 — share of profit of HK$158,538,000). The change was mainly attributable to an unrealised exchange loss on translation of the financial liabilities, a decrease of fair value gain on investment properties, impairment loss on intangible assets and loss on disposal of interests in equity-accounted investees.

7. INCOME TAX

	2019	2018
	HK$'000	*HK$'000*
Hong Kong:		
Charge for the year	**24**	–
Overseas:		
Charge for the year	**1,506**	10,355
Overprovision in prior years	**–**	(70)
Deferred:		
Current year	**820**	(5,285)
Effect of change in tax rate	**–**	(1,039)
	2,326	3,961
Total charge for the year from continuing operations	**2,350**	3,961

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 mainland China, Republic of Singapore and Macau, corporate taxes have been calculated on the estimated assessable profits for the year at the rates of 25%, 17% and 12% (2018 — 25%, 17% and 12%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

8. DISCONTINUED OPERATION

In July 2018, the Group entered into a sale and purchase agreement for the sale of the entire issued shares in Lippo Securities Holdings Limited ("**LSH**", the wholly-owned securities arm of the Company). The disposal was completed on 11 December 2018 and the Group has ceased the corporate finance and securities broking business.

The results of LSH and its subsidiaries (the "**LSH Group**") included in the Group's consolidated statement of profit or loss as a discontinued operation are presented below:

	Note	**2019** *HK$'000*	2018 *HK$'000*
Revenue *(Note)*		**11,504**	17,388
Cost of sales		**(5,305)**	(8,041)
Gross profit		**6,199**	9,347
Administrative expenses		**(10,859)**	(14,273)
Other operating expenses		**(2,918)**	(6,181)
Finance costs		**–**	(27)
Loss before tax		**(7,578)**	(11,134)
Income tax		**–**	–
Loss after tax of discontinued operation		**(7,578)**	(11,134)
Gain on disposal of discontinued operation		**153,255**	–
Profit/(Loss) for the year from discontinued operation		**145,677**	(11,134)
Other comprehensive income/(loss)			
Exchange differences on translation of discontinued operation		**(424)**	2,076
Release of cumulative exchange differences on translation of discontinued operation upon disposal		**(2,708)**	–
Other comprehensive income/(loss) from discontinued operation		**(3,132)**	2,076
Total comprehensive income/(loss) for the year from discontinued operation		**142,545**	(9,058)
		HK cents	*HK cents*
Earnings/(Loss) per share attributable to equity holders of the Company	*9*		
Basic and diluted			
– For profit/(loss) from discontinued operation		**7.3**	(0.5)

Note: Revenue represents income from securities and futures brokerage, investment banking, underwriting and other related advisory services under corporate finance and securities broking segment. The revenue is recognised at a point in time when the services are rendered and generated from customers located in Hong Kong.

The net assets of the LSH Group disposed of were as follows:

	2019
	HK$'000
Net assets disposed of:	
Fixed assets	**88**
Loans and advances	**7,861**
Debtors, prepayments and deposits	**14,451**
Client trust bank balances	**217,350**
Restricted cash	**1,010**
Cash and cash equivalents	**182,751**
Creditors, accruals and deposits received	**(226,481)**
	197,030
Release of cumulative exchange differences on translation of foreign operations	**(2,708)**
	194,322
Gain on disposal of subsidiaries	**153,255**
	347,577
Satisfied by:	
Cash	**347,577**

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 1,998,280,000 ordinary shares (2018 — approximately 1,998,280,000 ordinary shares) in issue during the year.

	2019	2018
	HK$'000	*HK$'000*
Consolidated profit/(loss) attributable to equity holders of the Company:		
From continuing operations	**(134,859)**	337,974
From discontinued operation	**145,677**	(11,134)
	10,818	326,840

(b) Diluted earnings/(loss) per share

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

10. DIVIDENDS

	2019	2018
	HK$'000	*HK$'000*
Interim dividend, declared, of HK1 cent (2018 — HK1 cent) per ordinary share	**19,983**	19,983
Final dividend, proposed, of HK1 cent (2018 — HK1 cent) per ordinary share	**19,983**	19,983
	39,966	39,966

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

Trade debtors balance as at 31 March 2018 was attributable to the LSH Group, which was disposed of in December 2018. 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:		
Repayable on demand	**–**	7,928
Within 30 days	**–**	683
	–	8,611

12. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

Balance of trade creditors as at 31 March 2018 was attributable to the LSH Group, which was disposed of during the year. An ageing analysis of trade creditors, based on the invoice date, is as follows:

	2019	2018
	HK\$'000	*HK\$'000*
Outstanding balances with ages:		
Repayable on demand	**–**	267,135
Within 30 days	**–**	39,231
	–	306,366

13. EVENTS AFTER THE REPORTING PERIOD

In April 2019, the OUE Group completed the disposals of all its interests in Aquamarina Hotel Private Limited and Marina Centre Holdings Private Limited for an aggregate consideration of S\$390,000,000 (approximately HK\$2,262,000,000). Based on the information currently available to the Company, it is estimated that the Group would record a share of profit from joint ventures in the consolidated statement of profit or loss of approximately HK\$470,000,000 (subject to audit and adjustment) arising from the disposals for the year ending 31 March 2020.

14. COMPARATIVE AMOUNTS

(a) The comparative statement of profit or loss has been re-presented as if the operation discontinued during the current year had been discontinued at the beginning of the comparative period (Note 8).

(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

During the Year, the Group and its joint ventures steered through uncertainties and risks due to trade tensions, interest rate hikes of the United States of America, Brexit negotiations, and other economic and geopolitical incidents on the back of softened global economic growth, and successfully executed substantive corporate transactions that would be essential to their sustainable growth in future.

Results for the Year

The Group recorded a consolidated profit attributable to shareholders of approximately HK$11 million for the Year, as compared to a consolidated profit of approximately HK$327 million for 2018 which included a non-recurrent gain of disposal of interests in a joint venture of HK$114 million. The decrease was mainly due to share of loss from joint ventures of approximately HK$101 million (2018 — profit of approximately HK$177 million), as a result of a decrease in fair value gain on investment properties of the joint ventures and an unrealised exchange loss on translation of the financial liabilities of a joint venture. It was also due to lower profit from disposal of the Group's development properties and less fair value gain from financial instruments at fair value through profit or loss and higher operating expenses during the Year despite a gain on disposal of subsidiaries of approximately HK$153 million resulting from the completion of the disposal of LSH.

Property investment and development businesses contributed to 91% (2018 — 98%) of total revenue from continuing operations for the Year. Revenue from continuing operations for the Year decreased to HK$71 million (2018 — HK$101 million). The decrease was mainly due to less properties of the Group sold during the Year.

In December 2018, the Group completed the disposal of LSH pursuant to a sale and purchase agreement dated 20 July 2018 with the G-Resources Group Limited group for a consideration of approximately HK$348.7 million. After the completion, the Group has ceased the corporate finance and securities broking business. Accordingly, the results of the corporate finance and securities broking business carried out by the LSH Group together with the gain on disposal were included under results from discontinued operation. This segment registered a total revenue of HK$12 million for the Year (2018 — HK$17 million) and the profit of this segment after the gain on disposal was HK$146 million for the Year (2018 — loss of HK$11 million).

The Group's other operating expenses mainly included legal and professional fees, consultancy and service fees, donations and exchange difference. Other operating expenses from continuing operations increased to HK$54 million for the Year (2018 — HK$20 million). The increase was mainly due to exchange losses from depreciation of Singapore dollar and Renminbi for the Year of HK$12 million as compared with exchange gains of HK$14 million for 2018 and the increase of consultancy and service fees for the Year by HK$11 million.

Property Investment

Segment revenue from the property investment business was mainly attributable to recurrent rental income from the Group's investment properties and interest income from the loans to joint ventures of the Company. The segment revenue for the Year amounted to HK$59 million (2018 — HK$59 million). Segment profit for the Year before accounting for the share of results from the Group's joint ventures amounted to HK$42 million (2018 — HK$45 million).

LAAPL (together with its subsidiaries the "**LAAPL Group**"), a principal joint venture of the Company is the vehicle holding a controlling stake of approximately 68.7% equity interest in OUE as at 31 March 2019. OUE is listed on the Main Board of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The OUE Group develops and manages assets across the commercial, hospitality, retail, residential and healthcare sectors. During the Year, the OUE Group remained focused on strengthening its asset portfolio to boost its recurrent income base, while capitalising on strategic growth opportunities. In September 2018, the OUE Group announced a conditional purchase of plots of land of approximately 8,000 sq. m. in a prime location in the central business district in South Jakarta, Indonesia which are planned to be the South Jakarta Development Project with 57 storeys of mix development comprising premium office space and a luxury boutique hotel.

Following its transformation completed in 2017, OUE Downtown in Singapore's Central Business District becomes a vibrant work-live-play destination comprising prime office space (37-storey OUE Downtown 2 and high zone of the 50-storey OUE Downtown 1 (collectively "**OUE Downtown Office**")), 268 luxury serviced residences occupying 7th to 32nd storeys of OUE Downtown 1 (Oakwood Premier OUE Singapore) and a retail mall of approximately 14,000 sq. m. (Downtown Gallery). In November 2018, the OUE Group divested OUE Downtown Office to OUE Commercial Real Estate Investment Trust ("**OUE C-REIT**", listed on the Main Board of the SGX-ST) for a consideration of S$908 million (approximately HK$5.2 billion). Such acquisition by OUE C-REIT was financed in part through a rights issue of new units of OUE C-REIT. The OUE Group directly owns the remaining Oakwood Premier OUE Singapore and Downtown Gallery which contributed positively to the OUE Group's performance and recurrent income base. The iconic U.S. Bank Tower in downtown Los Angeles, a 72-storey Class A office tower enhanced with OUE Skyspace LA (a 2-storey open-air observation deck at the top of the tower offering unrivalled 360-degree city views) also increased its revenue contribution to the OUE Group.

The OUE Group had, as at 31 March 2019, an approximately 56.2% interest in OUE C-REIT. OUE C-REIT's Grade A property portfolio as at 31 March 2019 included OUE Bayfront, One Raffles Place and OUE Downtown Office in Singapore as well as the properties at Lippo Plaza in Shanghai. The financial performance of the portfolio was enhanced considerably with the addition of OUE Downtown Office. The portfolio's committed occupancy attained 94% as at 31 March 2019.

The LAAPL Group also held, as at 31 March 2019, approximately 39.0% of the total number of stapled securities of OUE Hospitality Trust ("**OUE H-Trust**") which is listed on the Main Board of the SGX-ST. Its portfolio includes the 1,077-room Mandarin Orchard Singapore, the adjoining Mandarin Gallery and the 563-room Crowne Plaza Changi Airport in Singapore. OUE H-Trust recorded a slightly softer set of results amidst a competitive environment during the Year.

In April 2019, the proposed merger of OUE C-REIT and OUE H-Trust (the "**Proposed Merger**") was announced. If completed, the Proposed Merger would create one of the largest Singapore REITS with total assets of approximately S$6.8 billion (approximately HK$39.4 billion) and the LAAPL Group's interest in OUE C-REIT would be reduced to approximately 48.3%. Further, OUE H-Trust would be wholly owned by OUE C-REIT's trustee and would be delisted from the SGX-ST.

In addition, the OUE Group completed the disposal of its minority interests in Aquamarina Hotel Private Limited ("**Aquamarina**") and Marina Centre Holdings Private Limited for an aggregate consideration of S$390 million (approximately HK$2,262 million). Further to such disposal, Singapore Mandarin International Hotels Pte Ltd (a subsidiary of OUE) has also agreed to terminate its hotel operating agreement with Aquamarina (being the owner of Marina Mandarin Singapore) on or before 31 December 2019. It is estimated that the Group would record a share of profit from joint ventures of approximately HK$470 million (subject to audit and adjustment) arising from such disposal for the year ending 31 March 2020.

The OUE Group had, as at 31 March 2019, an approximately 64.3% equity interest in OUE Lippo Healthcare Limited ("**OUELH**", together with its subsidiaries the "**OUELH Group**") in Singapore which is listed on the Catalist Board of the SGX-ST. The OUELH Group provides high-quality and sustainable healthcare solutions through the acquisition, development, management and operations of healthcare facilities across Asia. It owns 12 quality nursing homes in Japan and derives rental revenue therefrom. It also has an integrated hospital development project in Chengdu and real estate in Wuxi, the PRC as well as a strategically located site in Kuala Lumpur, Malaysia.

As part of the OUELH Group's Pan-Asian growth strategy, it completed in October 2018 the acquisition of a 40% interest in Bowsprit Capital Corporation Limited ("**Bowsprit**", the manager of First Real Estate Investment Trust ("**First REIT**") which is listed on the Main Board of the SGX-ST since 2006) and an approximately 10.6% of the total issued units of First REIT, which acquisition was financed through OUELH's rights issue. OUE acquired the remaining 60% interest in Bowsprit at the same time. The acquisition of Bowsprit was in line with the OUE Group's strategy to grow its asset management business. Bowsprit also owned approximately 7.4% of the total issued units of First REIT as at 31 March 2019. First REIT is a healthcare real estate investment trust which invests in a diversified portfolio of income-producing real estate and/or real estate-related assets in Asia that are primarily used for healthcare and/or healthcare related purposes. As at 31 March 2019, First REIT had 20 properties comprising 16 in Indonesia, 3 in Singapore and 1 in South Korea.

In December 2018, the OUELH Group signed a letter of intent (as supplemented) with the China Merchants group (the "**CM Group**") to jointly develop, operate and manage an international hospital in Prince Bay, Shenzhen, the PRC. Its joint venture with the CM Group also signed management agreements with the CM Group to manage three medical facilities in Shanghai, Chongqing and Nanjing, the PRC. The OUELH Group further completed in April 2019 its acquisition of stakes in two Myanmar companies which operate three hospitals, a medical centre and two clinics in Myanmar.

The OUE Group now manages various trusts with accumulated assets under management of approximately S$8 billion (approximately HK$46 billion).

The Group recorded a share of loss of joint ventures of HK$112 million from its investment in LAAPL for the Year (2018 — share of profit of HK$159 million). The change was mainly due to unrealised exchange loss on translation of the financial liabilities, a decrease of fair value gain on investment properties, impairment loss on intangible assets and non-cash loss on disposal of interests in equity-accounted investees. Besides, the Group shared a decrease in exchange reserve on translation of LAAPL's investment of HK$205 million during the Year due to the depreciation of the Singapore dollar. As a result, the Group's total interests in LAAPL as at 31 March 2019 decreased to HK$10.3 billion (31 March 2018 — HK$10.5 billion).

In March 2019, the Group completed the formation of the joint venture, Bell Eastern Limited, for investment, acquisition, development and/or ownership of land, property developments and/or properties in Asia and other related businesses pursuant to the relevant Shareholders' Agreement, and consequently owns 50% therein.

Property Development

"M Residences" in Macau was fully sold following the sale of the remaining car and motor vehicle parking spaces in April 2018. Sale of the remaining apartment unit, small number of shophouses and carparking spaces at Lippo Plaza in Beijing, the PRC was slow due to persistent local conditions. With a substantial portion of the completed development properties sold and recognised in prior years, the segment revenue and segment profit for the Year decreased to HK$6 million (2018 — HK$40 million) and HK$2 million (2018 — HK$24 million) respectively, before accounting for the share of results from the Group's associates and joint ventures.

Sale of some of the remaining units of the luxurious Marina Collection in Sentosa, Singapore (in which the Group has a 50% interest) was completed during the Year. A portion of the remaining units is leased out. The Group shared a profit of associate of HK$6 million (2018 — HK$6 million) from the investment.

Treasury and Securities Investments

The Group managed its investment portfolio and looked for opportunities to enhance yields. The treasury and securities investments businesses recorded a net profit of HK$5 million for the Year (2018 — HK$1 million). Total revenue from treasury and securities investments businesses for the Year amounted to HK$5 million (2018 — HK$2 million).

Banking

The Macau Chinese Bank Limited ("**MCB**") is a joint venture of the Company in which the Group had a 20% equity interest as at 31 March 2019. During the Year, the Group injected MOP26 million into MCB as its pro-rata subscription of MCB's share capital increase of MOP130 million. MCB recorded strong growth in customer deposits and loans during the Year. The Group's share of profit from MCB decreased to HK$8 million for the Year (2018 — HK$19 million) due to a reduction in equity interest in MCB after the completion of its disposal of 31% equity interests in November 2017.

Pursuant to the Amended and Restated Shareholders Agreement in June 2018, the Group has a put option to sell its remaining 20% interest to the majority shareholder of MCB at any time during the 5 years from 3 November 2017 (the "**Put Option**"). The fair value of the Put Option was included in "Other financial asset" of the Group's consolidated statement of financial position and the change in fair value of the Put Option was recorded in the "net fair value gain on financial instruments at fair value through profit or loss" of the Group's consolidated statement of profit or loss. The banking business segment reported a profit of HK$0.3 million for the Year, resulting from a slight increase in the fair value of the Put Option (2018 — HK$141 million, including the gain on disposal of 31% equity interests in MCB in November 2017 and fair value gain of the Put Option).

Financial Position

The Group's financial position remained healthy. As at 31 March 2019, its total assets amounted to HK$11.8 billion (31 March 2018 — HK$12.3 billion). Property-related assets amounted to HK$11.1 billion as at 31 March 2019 (31 March 2018 — HK$11.2 billion), representing 94% (31 March 2018 — 91%) of total assets. Total liabilities as at 31 March 2019 amounted to HK$0.8 billion (31 March 2018 — HK$1.0 billion). Total cash and bank balances (consisted of cash and cash equivalents, time deposits with original maturity of more than three months and restricted cash) as at 31 March 2019 amounted to HK$507 million (31 March 2018 — HK$545 million). Current ratio as at 31 March 2019 amounted to 1.9 (31 March 2018 — 1.9).

As at 31 March 2019, the Group's bank and other borrowings amounted to HK$737 million (31 March 2018 — HK$482 million). The bank loans were denominated in Hong Kong dollars and 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. As at 31 March 2019, approximately 33% (31 March 2018 — Nil) of the bank loans were repayable within one year. The gearing ratio (measured as total borrowings to equity attributable to equity holders of the Company) was 6.7% as at 31 March 2019 (31 March 2018 — 4.3%).

The net asset value attributable to equity holders of the Company remained strong and amounted to HK$10.9 billion as at 31 March 2019 (31 March 2018 — HK$11.2 billion). This was equivalent to HK$5.5 per share (31 March 2018 — HK$5.6 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 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 amounted to HK$1 million as at 31 March 2019 (31 March 2018 — HK$7 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 number of employees of the Group decreased to 40 as at 31 March 2019 (31 March 2018 — 68 employees) following the disposal of the LSH Group in December 2018. Staff costs (including directors' emoluments) charged to the statement of profit or loss during the Year amounted to HK$35 million (2018 — HK$38 million). The Group ensures that its employees are offered competitive remuneration packages. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

PROSPECTS

The Group and its joint ventures will continue to consolidate and foster their resources, asset portfolio and growth strategies in order to further strengthen their recurring income bases as well as to prepare for opportunities and challenges in light of volatile global and regional economic and political situations. The Group will also stay vigilant in monitoring its investments and seeking new opportunities in the pursuit of enhancing long-term shareholder return and value.

DIVIDENDS

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting of the Company to be held on Tuesday, 3 September 2019 (the "**2019 AGM**") the payment of a final dividend of HK1 cent per share (2018 — HK1 cent per share) amounting to approximately HK$20 million for the Year (2018 — approximately HK$20 million). Together with the interim dividend of HK1 cent per share (2018 — HK1 cent per share) paid in January 2019, the total dividends for the Year will be HK2 cents per share (2018 — HK2 cents per share) amounting to approximately HK$40 million (2018 — approximately HK$40 million). Subject to the approval of shareholders at the 2019 AGM, the final dividend will be paid on Monday, 23 September 2019 to shareholders whose names appear on the Company's 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:

(1) from Thursday, 29 August 2019 to Tuesday, 3 September 2019 (both dates inclusive) during which period no transfer of shares 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 Tricor Tengis Limited ("**Tricor**"), the Company's Branch Share Registrar in Hong Kong, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong *(note)* (the "**Tricor Address**") not later than 4:30 p.m. on Wednesday, 28 August 2019; and

(2) from Monday, 9 September 2019 to Wednesday, 11 September 2019 (both dates inclusive) during which period no transfer of shares 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 Tricor at the Tricor Address not later than 4:30 p.m. on Friday, 6 September 2019.

Note: The address of Tricor will be changed from Level 22 to Level 54 of 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, 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 a high standard of corporate governance practices. The Board believes that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. Corporate governance requirements keep changing, therefore the Board reviews its corporate governance practices from time to time to ensure they meet public and shareholders' expectation, comply with legal and professional standards and reflect the latest local and international developments. The Board will continue to commit itself to achieving a high quality of corporate governance so as to safeguard the interests of shareholders and enhance shareholder value. To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the Year.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Committee**"). The existing members of the Committee comprise three independent non-executive Directors, namely Messrs King Fai Tsui (Chairman), Victor Ha Kuk Yung and Edwin Neo, 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 Group for the Year.

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 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
HONGKONG CHINESE LIMITED
John Luen Wai Lee
Chief Executive Officer

27 June 2019

As at the date of this announcement, the executive Directors of the Company are Dr Stephen Riady (Chairman) and Mr John Luen Wai Lee (Chief Executive Officer); the non-executive Director of the Company is Mr Leon Nim Leung Chan; and the independent non-executive Directors of the Company are Messrs Victor Ha Kuk Yung, King Fai Tsui and Edwin Neo.

* *For identification purpose only*