

Daiwa Capital Markets Hong Kong Limited
大和資本市場香港有限公司

Unaudited Interim Financial Report
for the six months ended 30 September 2014

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Statement of comprehensive income for the six months ended 30 September 2014

(Expressed in United States dollars)

	<i>Note</i>	<i>Six months ended 30 September</i>	
		<i>2014</i>	<i>2013</i>
Turnover	3	\$ 48,380,446	\$ 52,482,940
Other revenue	4	24,384,935	23,688,449
Other net income	4	1,723,061	1,439,504
Staff costs	5	(28,320,505)	(32,981,328)
Depreciation	9	(5,217,920)	(4,770,373)
Other operating expenses		<u>(45,098,930)</u>	<u>(50,162,144)</u>
Loss from operations		\$ (4,148,913)	\$ (10,302,952)
Finance costs	6(a)	<u>(140,421)</u>	<u>(2,078,588)</u>
Loss before and after taxation for the period	6	\$ (4,289,334)	\$ (12,381,540)
Other comprehensive income for the period			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Available-for-sale securities: net movement in the investment valuation reserve		<u>72,632</u>	<u>240,468</u>
Total comprehensive income for the period		<u>\$ (4,216,702)</u>	<u>\$ (12,141,072)</u>

The notes on pages 6 to 21 form part of this interim financial report.

Balance sheet at 30 September 2014

(Expressed in United States dollars)

	<i>Note</i>	<i>30 September 2014</i>	<i>31 March 2014</i>
Non-current assets			
Intangible assets	8	\$ 383,263	\$ 383,582
Fixed assets	9	15,812,968	20,224,584
Available-for-sale securities	10	3,081,001	3,017,287
Other non-current deposits		4,322,869	5,095,883
		\$ 23,600,101	\$ 28,721,336
Current assets			
Financial assets at fair value through profit or loss	11	\$ 14,866,663	\$ 15,676,914
Receivables from reverse repurchase agreements	12	36,621,179	38,946,641
Accounts receivable	13, 21	1,100,113,488	1,130,382,620
Other receivables and prepayments	21	23,839,297	20,087,716
Cash and cash equivalents	15	468,875,994	520,007,700
		\$ 1,644,316,621	\$ 1,725,101,591
Current liabilities			
Financial liabilities at fair value through profit or loss	16	\$ 9,630,855	\$ 15,676,094
Amount due to a fellow subsidiary	14	36,579,709	38,903,001
Accounts payable	17, 21	1,072,459,119	1,130,650,591
Accruals and other payables	21	43,052,913	58,182,413
		\$ 1,161,722,596	\$ 1,243,412,099
Net current assets		\$ 482,594,025	\$ 481,689,492
NET ASSETS		\$ 506,194,126	\$ 510,410,828

Balance sheet at 30 September 2014 (continued)
(Expressed in United States dollars)

	<i>Note</i>	<i>30 September 2014</i>	<i>31 March 2014</i>
CAPITAL AND RESERVE			
Share capital	19	\$ 697,860,644	\$ 697,860,644
General reserve	20(a)	12,008,165	12,008,165
Investment revaluation reserve	20(b)	1,035,216	962,584
Accumulated losses		<u>(204,709,899)</u>	<u>(200,420,565)</u>
TOTAL EQUITY		<u>\$ 506,194,126</u>	<u>\$ 510,410,828</u>

The notes on pages 6 to 21 form part of this interim financial report.

Statement of changes in equity for the six months ended 30 September 2014 *(Expressed in United States dollars)*

	<i>Share capital</i>	<i>General reserve</i>	<i>Investment revaluation reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
At 1 April 2014	\$ 697,860,644	\$ 12,008,165	\$ 962,584	\$ (200,420,565)	\$ 510,410,828
Loss for the period	\$ -	\$ -	\$ -	\$ (4,289,334)	\$ (4,289,334)
Other comprehensive income	-	-	72,632	-	72,632
Total comprehensive income for the period	\$ -	\$ -	\$ 72,632	\$ (4,289,334)	\$ (4,216,702)
At 30 September 2014	<u>\$ 697,860,644</u>	<u>\$ 12,008,165</u>	<u>\$ 1,035,216</u>	<u>\$ (204,709,899)</u>	<u>\$ 506,194,126</u>
At 1 April 2013	\$ 557,860,644	\$ 12,008,165	\$ 478,535	\$ (182,285,767)	\$ 388,061,577
Loss for the period	\$ -	\$ -	\$ -	\$ (12,381,540)	\$ (12,381,540)
Other comprehensive income	-	-	240,468	-	240,468
Total comprehensive income for the period	\$ -	\$ -	\$ 240,468	\$ (12,381,540)	\$ (12,141,072)
At 30 September 2013	<u>\$ 557,860,644</u>	<u>\$ 12,008,165</u>	<u>\$ 719,003</u>	<u>\$ (194,667,307)</u>	<u>\$ 375,920,505</u>

The notes on pages 6 to 21 form part of this interim financial report.

**Condensed cash flow statement
for the six months ended 30 September 2014**
(Expressed in United States dollars)

	<i>Note</i>	<i>Six months ended 30 September</i>	
		<i>2014</i>	<i>2013</i>
Net cash used in operating activities		\$ (51,576,419)	\$ (38,986,089)
Net cash generated from investing activities		585,134	(56,546)
Net cash used in financing activities		<u>(140,421)</u>	<u>(2,078,588)</u>
Net decrease in cash and cash equivalents		\$ (51,131,706)	\$ (41,121,223)
Cash and cash equivalents at 1 April	15	<u>485,007,700</u>	<u>516,768,772</u>
Cash and cash equivalents at 30 September	15	<u>\$ 433,875,994</u>	<u>\$ 475,647,549</u>
Analysis of balance of cash and cash equivalent			
Bank balance and cash - general accounts	15	<u>\$ 433,875,994</u>	<u>\$ 475,647,549</u>

The notes on pages 6 to 21 form part of this interim financial report.

Notes to the unaudited interim financial report

(Expressed in United States dollars)

1 Basis of preparation

The unaudited interim financial report has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The unaudited interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of these changes in accounting policies are set out in note 2.

2 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Company. Of these, the following development is relevant to the Company’s financial statements:

Amendments to HKAS 32, Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on the Company’s unaudited interim financial report as they are consistent with the policies already adopted by the Company.

The Company has not applied any new standard or interpretation that is not effective for the current accounting period. These developments do not have any material impacts on the Company’s financial statements.

3 Turnover

	<i>Six months ended 30 September</i>	
	<i>2014</i>	<i>2013</i>
Commission and brokerage income	\$ 32,556,136	\$ 44,790,655
Underwriting and other commission income	14,190,222	5,289,335
Financial advisory fee income and other commission income	1,634,088	2,402,950
	<u>\$ 48,380,446</u>	<u>\$ 52,482,940</u>

4 Other revenue and other net income

	<i>Six months ended 30 September</i>	
	<i>2014</i>	<i>2013</i>
Other revenue		
Dividend income on proprietary trading positions	\$ 26,191	\$ 19,848
Research fees income from group companies	4,311,798	4,623,139
Management fees and services fees income from group companies	17,340,616	17,273,028
Interest income	1,306,518	1,042,385
Rental income from related companies	1,399,812	730,049
	<u>\$ 24,384,935</u>	<u>\$ 23,688,449</u>
Other net income		
Net trading gain on securities transactions	\$ 1,636,134	\$ 812,797
Net exchange loss	(89,776)	(115,908)
Net gain on disposal of available-for-sale securities	52,273	-
Others	124,430	742,615
	<u>\$ 1,723,061</u>	<u>\$ 1,439,504</u>

5 Staff costs

	<i>Six months ended 30 September</i>	
	<i>2014</i>	<i>2013</i>
Salaries, wages and other benefits	\$ 27,462,950	\$ 32,051,866
Contributions to defined contribution plan	857,555	929,462
	<u>\$ 28,320,505</u>	<u>\$ 32,981,328</u>

6 Loss before taxation

Loss before taxation is arrived at after charging:

	<i>Six months ended 30 September</i>	
	<i>2014</i>	<i>2013</i>
(a) Finance costs		
Interest expenses on bank loans	\$ 4,831	\$ 115
Interest expenses paid to the ultimate holding company	-	1,887,161
Interest expenses paid to a fellow subsidiary	74,232	73,350
	<u>\$ 79,063</u>	<u>\$ 1,960,626</u>
Other financing expenses	61,358	117,962
	<u>\$ 140,421</u>	<u>\$ 2,078,588</u>
(b) Other items		
Commission and brokerage charges	\$ 21,987,276	\$ 28,402,736
Underwriting expenses	1,918,212	122,161
Operating lease charges on properties	7,288,024	7,084,204
Auditors' remuneration	316,218	242,636
	<u>316,218</u>	<u>242,636</u>

7 Income tax

(a) No provision for Hong Kong Profits Tax has been made for both periods as the Company sustained a loss for taxation purposes.

(b) **Reconciliation between tax expense and accounting loss at applicable tax rates:**

	<i>Six months ended 30 September</i>	
	<i>2014</i>	<i>2013</i>
Loss before taxation	\$ (4,289,334)	\$ (12,381,540)
Notional tax on loss before taxation, calculated at 16.5%	\$ (707,740)	\$ (2,042,954)
Tax effect of non-deductible expenses	11,756	311,715
Tax effect of non-taxable revenue	(202,781)	(149,703)
Tax effect of unused tax losses and other deductible temporary differences not recognised	898,765	1,880,942
Actual tax expense	<u>\$ -</u>	<u>\$ -</u>

8 Intangible assets

	<i>Trading rights</i>	<i>Club debentures</i>	<i>Total</i>
Cost:			
At 1 April 2014	\$ 419,448	\$ 383,578	\$ 803,026
Exchange differences	-	(319)	(319)
	<hr/>	<hr/>	<hr/>
At 30 September 2014	\$ 419,448	\$ 383,259	\$ 802,707
Accumulated impairment loss:			
At 1 April 2014 and 30 September 2014	<hr/> 419,444	<hr/> -	<hr/> 419,444
Net book value:			
At 30 September 2014	<u>\$ 4</u>	<u>\$ 383,259</u>	<u>\$ 383,263</u>
	<i>Trading rights</i>	<i>Club debentures</i>	<i>Total</i>
Cost:			
At 1 April 2013	\$ 419,448	\$ 383,373	\$ 802,821
Exchange differences	-	409	409
	<hr/>	<hr/>	<hr/>
At 30 September 2013	\$ 419,448	\$ 383,782	\$ 803,230
Accumulated impairment loss:			
At 1 April 2013 and 30 September 2013	<hr/> 419,444	<hr/> -	<hr/> 419,444
Net book value:			
At 30 September 2013	<u>\$ 4</u>	<u>\$ 383,782</u>	<u>\$ 383,786</u>

9 Fixed assets

	<i>Leasehold improvements</i>	<i>Furniture, fixtures and office equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
Cost:				
At 1 April 2014	\$ 9,544,866	\$ 46,831,950	\$ 315,379	\$ 56,692,195
Additions	-	806,304	-	806,304
Disposals	-	(4,079)	(139,510)	(143,589)
At 30 September 2014	<u>\$ 9,544,866</u>	<u>\$ 47,634,175</u>	<u>\$ 175,869</u>	<u>\$ 57,354,910</u>
Accumulated depreciation:				
At 1 April 2014	\$ 3,451,471	\$ 32,700,761	\$ 315,379	\$ 36,467,611
Charge for the period	805,817	4,412,103	-	5,217,920
Written back on disposals	-	(4,079)	(139,510)	(143,589)
At 30 September 2014	<u>\$ 4,257,288</u>	<u>\$ 37,108,785</u>	<u>\$ 175,869</u>	<u>\$ 41,541,942</u>
Net book value:				
At 30 September 2014	<u>\$ 5,287,578</u>	<u>\$ 10,525,390</u>	<u>\$ -</u>	<u>\$ 15,812,968</u>

	<i>Leasehold improvements</i>	<i>Furniture, fixtures and office equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
Cost:				
At 1 April 2013	\$ 9,252,194	\$ 43,277,864	\$ 315,379	\$ 52,845,437
Additions	4,343	1,114,436	-	1,118,779
Disposals	(626,273)	(886,158)	-	(1,512,431)
At 30 September 2013	<u>\$ 8,630,264</u>	<u>\$ 43,506,142</u>	<u>\$ 315,379</u>	<u>\$ 52,451,785</u>
Accumulated depreciation:				
At 1 April 2013	\$ 2,074,901	\$ 25,247,862	\$ 315,379	\$ 27,638,142
Charge for the period	728,852	4,041,521	-	4,770,373
Written back on disposals	(147,870)	(885,198)	-	(1,033,068)
At 30 September 2013	<u>\$ 2,655,883</u>	<u>\$ 28,404,185</u>	<u>\$ 315,379</u>	<u>\$ 31,375,447</u>
Net book value:				
At 30 September 2013	<u>\$ 5,974,381</u>	<u>\$ 15,101,957</u>	<u>\$ -</u>	<u>\$ 21,076,338</u>

10 Available-for-sale securities

	<i>30 September 2014</i>	<i>31 March 2014</i>
Club debentures	<u>\$ 3,081,001</u>	<u>\$ 3,017,287</u>

11 Financial assets at fair value through profit or loss

	<i>30 September 2014</i>	<i>31 March 2014</i>
Long positions in listed equity securities	\$ 5,235,808	\$ 820
Positive fair value of derivatives (note 23)		
– with a fellow subsidiary	<u>9,630,855</u>	<u>15,676,094</u>
	<u>\$ 14,866,663</u>	<u>\$ 15,676,914</u>

As at 30 September 2014, the market value of securities placed by a fellow subsidiary to the Company for over-the-counter derivative transactions as collaterals amounted to \$228,160,847 (31 March 2014: \$155,300,092).

The above financial assets were classified as held for trading.

12 Receivables from reverse repurchase agreements

	<i>30 September 2014</i>	<i>31 March 2014</i>
Receivables from reverse repurchase agreements	<u>\$ 36,621,179</u>	<u>\$ 38,946,641</u>

As of 30 September 2014, the fair value of collaterals accepted in respect of the reverse repurchase transactions was \$44,826,476 (31 March 2014: \$45,916,106), the Company has not recognised these collaterals in the statement of financial position.

These transactions are conducted under terms that are usual and customary to securities repurchase transactions and borrowing and lending activities.

13 Accounts receivable

The Company maintains segregated accounts with The Hong Kong Futures Exchange Clearing Corporation Limited as a result of its normal business transactions. As of 30 September 2014, segregated accounts not otherwise dealt with in these financial statements amounted to \$42,706 (31 March 2014: \$1,081,549).

The carrying amount of accounts receivable approximates their fair values.

All of the accounts receivable are expected to be recovered within one year.

14 Amounts due to a fellow subsidiary

Amounts due to a fellow subsidiary is unsecured, interest-bearing and have fixed terms of repayment.

The carrying amount of amounts due to a fellow subsidiary approximates their fair values.

15 Cash and cash equivalents

	<i>30 September 2014</i>	<i>31 March 2014</i>
Deposits with bank	\$ 410,533,123	\$ 459,019,250
Cash at bank and in hand	<u>58,342,871</u>	<u>60,988,450</u>
Cash and cash equivalents in the balance sheet	\$ 468,875,994	\$ 520,007,700
Less: pledged deposit	<u>(35,000,000)</u>	<u>(35,000,000)</u>
Cash and cash equivalents in the cash flow statement	<u>\$ 433,875,994</u>	<u>\$ 485,007,700</u>

The Company maintains segregated accounts with authorised institutions as a result of its normal business transactions. At 30 September 2014, segregated accounts not otherwise dealt with in these financial statements amounted to \$27,995,037 (31 March 2014: \$46,355,104). The carrying amount of the cash and cash equivalents approximates their fair value.

16 Financial liabilities at fair value through profit or loss

	<i>30 September 2014</i>	<i>31 March 2014</i>
Negative fair value of derivatives (note 22)		
– with a fellow subsidiary	<u>\$ 9,630,855</u>	<u>\$ 15,676,094</u>

The above financial liabilities were classified as held for trading.

17 Accounts payable

The carrying amount of the accounts payable approximates their fair values.

18 Income tax in the balance sheet

The Company has not recognised deferred tax assets in respect of tax losses and other deductible temporary differences of \$327,754,560 (31 March 2014: \$322,307,498) as it is not probable that future taxable profits against which the losses can be utilised will be available. The tax losses do not expire under current tax legislation.

19 Share capital

As at 27 September 2011, 10,000,000 ordinary shares, with par value of \$10 each and 53,673,423 ordinary shares of US\$10 each, were authorised for issue. Under the new Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concepts of “authorised share capital” and “par value” no longer exist. These changes do not have an impact on the number of shares in issue or the relative entitlement of any of the members. Movements of the Company’s ordinary shares are set out below:

Issued and fully paid:

	<i>30 September 2014</i>		<i>31 March 2014</i>	
	<i>No. of shares</i>	<i>Amount</i>	<i>No. of shares</i>	<i>Amount</i>
Ordinary shares, issued and fully paid:				
At 1 April and 30 September/ 31 March	77,673,423	\$ 697,860,644	63,673,423	\$ 557,860,644
Shares issued (note)	<u>-</u>	<u>-</u>	<u>14,000,000</u>	<u>140,000,000</u>
At 30 September/31 March	<u>77,673,423</u>	<u>\$ 697,860,644</u>	<u>77,673,423</u>	<u>\$ 697,860,644</u>

19 Share capital (continued)

Issued and fully paid: (continued)

Note: For the year ended 31 March 2014, the Company's creation of 14,000,000 ordinary shares of US\$10 each was approved by ordinary resolutions of shareholders on 18 December 2013. These new ordinary shares rank pari passu in all respects with the existing shares in the capital of the Company. 14,000,000 ordinary shares were issued to existing shareholders at par for cash on 20 December 2013.

20 Reserves

(a) *General reserve*

The general reserve was established in accordance with the Hong Kong Banking Ordinance when the Company was a restricted license bank.

(b) *Investment revaluation reserve*

The investment revaluation reserve comprises the cumulative change in the fair value of available-for-sale securities held at balance sheet date and is dealt with in accordance with the accounting policies same as those adopted in the Company's financial statements for the year ended 31 March 2014.

21 Group companies

The following balances with ultimate holding and fellow subsidiary companies are included in the indicated balance sheet captions in addition to those balances with group companies indicated elsewhere in these financial statements:

	<i>30 September 2014</i>	<i>31 March 2014</i>
Accounts receivable	\$ 442,459,012	\$ 513,933,996
Other receivables and prepayments	5,529,651	5,519,093
Accounts payable	(328,940,847)	(608,829,628)
Accruals and other payables	<u>(1,031,360)</u>	<u>(1,185,736)</u>

22 Derivatives

The major derivative financial instruments traded by the Company are equity derivative contracts which are over-the-counter and exchange-traded derivative contracts. For financial reporting purposes, all derivative instruments are classified as held for trading.

	<i>30 September 2014</i>		<i>31 March 2014</i>	
	<i>Assets</i>	<i>Liabilities</i>	<i>Assets</i>	<i>Liabilities</i>
Fair value of derivatives				
Equity derivatives	<u>\$ 9,630,855</u>	<u>\$ 9,630,855</u>	<u>\$ 15,676,094</u>	<u>\$ 15,676,094</u>

23 Fair values of financial instruments

(a) Fair value hierarchy

The following table presents the fair value of the Company's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

23 Fair values of financial instruments (continued)

(a) Fair value hierarchy (continued)

	<u>Fair value measurements as at 30 September 2014</u>			
	<i>Fair value at 30 September 2014</i>	<i>Quoted prices in active market for identical assets (Level 1)</i>	<i>Significant other observable inputs (Level 2)</i>	<i>Significant unobservable input (Level 3)</i>
Recurring fair value measurement				
Assets				
Available-for-sale – Club debentures	\$ 3,081,001	\$ -	\$ 3,081,001	\$ -
Financial assets at fair value through profit or loss	<u>14,866,663</u>	<u>5,235,808</u>	<u>9,630,855</u>	<u>-</u>
	<u>\$ 17,947,664</u>	<u>\$ 5,235,808</u>	<u>\$ 12,711,856</u>	<u>\$ -</u>
Liabilities				
Financial liabilities at fair value through profit or loss	<u>\$ (9,630,855)</u>	<u>\$ -</u>	<u>\$ (9,630,855)</u>	<u>\$ -</u>

23 Fair values of financial instruments (continued)

(a) Fair value hierarchy (continued)

	<u>Fair value measurements as at 31 March 2014</u>			
	<i>Fair value at 31 March 2014</i>	<i>Quoted prices in active market for identical assets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
Recurring fair value measurement				
<i>Assets</i>				
Available-for-sale				
– Club debentures	\$ 3,017,287	\$ -	\$ 3,017,287	\$ -
Financial assets at fair value through profit or loss	<u>15,676,914</u>	<u>820</u>	<u>15,676,094</u>	<u>-</u>
	<u>\$ 18,694,201</u>	<u>\$ 820</u>	<u>\$ 18,693,381</u>	<u>\$ -</u>
<i>Liabilities</i>				
Financial liabilities at fair value through profit or loss	<u>\$ (15,676,094)</u>	<u>\$ -</u>	<u>\$ (15,676,094)</u>	<u>\$ -</u>

During the six months ended 30 September 2014 and twelve months ended 31 March 2014, there were no transfer between Level 1 and Level 2, or transfer into or out of Level 3. The Company's policy is to recognise transfer between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(b) Valuation techniques and inputs used in Level 2 fair value measurements

For financial instruments that are not traded in the active markets, the Company determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market widely recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, and historical or implied volatilities. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length.

The fair value of available-for-sale financial assets is determined based on quotes from brokers or alternative pricing sources supported by observable inputs, either directly or indirectly.

23 Fair values of financial instruments (continued)

(c) Offsetting financial assets and financial liabilities

The Company has entered into transactions subject to an enforceable master netting arrangement or similar agreement with a counterparty. The gross amounts of recognised accounts receivable from and accounts payable to these counterparties and the net balance as shown on the balance sheet are disclosed as follows:

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

	<i>Gross amount of recognised accounts receivable</i>	<i>Gross amount of recognised accounts payable set off in the balance sheet</i>	<i>Net amount of accounts receivable presented in the balance sheet</i>	<i>Related amount not set off in the balance sheet</i>	<i>Net amount</i>
As at 30 September 2014					
Accounts receivable	\$ 1,143,199,823	\$ (43,086,335)	\$ 1,100,113,488	\$ (3,494,086)	\$ 1,096,619,402
As at 31 March 2014					
Accounts receivable	\$ 1,177,624,348	\$ (47,241,728)	\$ 1,130,382,620	\$ (2,615,538)	\$ 1,127,767,082

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

	<i>Gross amount of recognised accounts payable</i>	<i>Gross amount of recognised receivable set off in the balance sheet</i>	<i>Net amount of accounts payable presented in the balance sheet</i>	<i>Related amount not set off in the balance sheet</i>	<i>Net amount</i>
As at 30 September 2014					
Accounts payable	\$ 1,115,545,454	\$ (43,086,335)	\$ 1,072,459,119	\$ (3,494,086)	\$ 1,068,965,033
As at 31 March 2014					
Accounts payable	\$ 1,177,892,319	\$ (47,241,728)	\$ 1,130,650,591	\$ (2,615,538)	\$ 1,128,035,053

26 Commitments

At 30 September 2014, the Company had the following commitments in the ordinary course of business:

- (a) The total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	<i>30 September 2014</i>	<i>31 March 2014</i>
From fellow subsidiaries:		
Within one year	\$ 397,782	\$ 642,078
After one year but within five years	<u>1,359,088</u>	<u>1,599,944</u>
	<u>\$ 1,756,870</u>	<u>\$ 2,242,022</u>
From others:		
Within one year	\$ 1,806,177	\$ 1,807,690
After one year but within five years	<u>7,529,083</u>	<u>8,439,234</u>
	<u>\$ 9,335,260</u>	<u>\$ 10,246,924</u>
	<u>\$ 11,092,130</u>	<u>\$ 12,488,946</u>

- (b) The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	<i>30 September 2014</i>	<i>31 March 2014</i>
Within one year	\$ 13,523,799	\$ 13,095,940
After one year but within five years	<u>39,175,714</u>	<u>44,540,430</u>
	<u>\$ 52,699,513</u>	<u>\$ 57,636,370</u>

26 Commitments (continued)

- (c) Committed facilities under reverse repurchase agreements entered into with counterparties are as follows:

	<i>30 September 2014</i>	<i>31 March 2014</i>
Within one year	<u>\$ 242,941,982</u>	<u>\$ 355,515,465</u>

At 30 September 2014, the counterparties have not utilised \$206,395,614 (31 March 2014: \$316,650,697) of the facilities.

27 Parent and ultimate holding company

The directors consider the immediate parent and ultimate holding company at 30 September 2014 to be Daiwa Capital Markets Asia Holding, B.V, which is incorporated in Netherlands, and Daiwa Securities Group Inc., which is incorporated in Japan respectively. Daiwa Securities Group Inc. produces financial statements available for public use.