LIPPO CHINA RESOURCES LIMITED
力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 156)

FINAL RESULTS
FOR THE YEAR ENDED 31ST DECEMBER, 2010

FINAL RESULTS

The Directors of Lippo China Resources Limited (the "Company") are pleased to announce the consolidated final results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31st December, 2010 together with the comparative figures for the corresponding period in 2009 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December, 2010

	Note	**2010** **HK$'000**	2009 HK$'000 (restated)
CONTINUING OPERATIONS			
Revenue	2	**284,936**	1,221,804
Cost of sales		**(37,624)**	(757,380)
Gross profit		**247,312**	464,424
Administrative expenses		**(128,857)**	(100,108)
Other operating expenses		**(91,708)**	(85,634)
Fair value gains on investment properties		**673,359**	221,630
Net fair value gain on financial assets at fair value through profit or loss		**677**	4,065
Gain on disposal of subsidiaries		**21,294**	—
Gain/(Loss) on disposal of fixed assets		**35,841**	(323)
Provisions for impairment losses:			
Associates		**(21,065)**	(84,723)
Available-for-sale financial assets		**(13,417)**	(515)
Finance costs		**(43,118)**	(42,998)
Share of results of associates		**7,853**	(8,878)
Share of results of jointly controlled entities	4	**(514)**	207,781
Profit before tax from continuing operations	5	**687,657**	574,721
Income tax	6	**(175,371)**	(88,592)
Profit for the year from continuing operations		**512,286**	486,129
DISCONTINUED OPERATION			
Profit/(Loss) for the year from discontinued operation	7	**248,811**	(164,257)
Profit for the year		**761,097**	321,872

	Note	2010 HK$'000	2009 HK$'000 (restated)
Attributable to:			
Equity holders of the Company		**727,183**	323,864
Non-controlling interests		**33,914**	(1,992)
		761,097	321,872
		HK cents	*HK cents*
Earnings per share attributable to equity holders of the Company	*8*		
Basic			
— For profit for the year		**7.91**	3.52
— For profit from continuing operations		**5.20**	5.31
Diluted			
— For profit for the year		**7.91**	3.52
— For profit from continuing operations		**5.20**	5.31

Details of the dividends payable and proposed for the year are disclosed in Note 9 to the final results.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December, 2010

	2010	2009
	HK$'000	*HK$'000*
Profit for the year	**761,097**	321,872
Other comprehensive income/(loss)		
Available-for-sale financial assets:		
Changes in fair value	**98,978**	(64,594)
Derecognition of available-for-sale financial assets	**(23,636)**	—
	75,342	(64,594)
Share of other comprehensive income/(loss) of associates	**(20,243)**	16,247
Exchange differences on translation of foreign operations	**125,520**	33,785
Reclassification adjustments relating to disposal of foreign operations	**(4,826)**	—
Other comprehensive income/(loss) for the year, net of tax	**175,793**	(14,562)
Total comprehensive income for the year	**936,890**	307,310
Attributable to:		
Equity holders of the Company	**880,875**	302,912
Non-controlling interests	**56,015**	4,398
	936,890	307,310

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31st December, 2010

	Note	2010 HK$'000	2009 HK$'000
Non-current assets			
Fixed assets		**116,496**	331,001
Investment properties		**4,215,948**	3,359,099
Properties under development		**75,459**	52,564
Interests in associates		**762,349**	637,815
Interests in jointly controlled entities		**7,276**	59,130
Available-for-sale financial assets		**400,926**	343,537
Loans and advances		**5,100**	—
Deposit paid for long term investment		**119,720**	—
		5,703,274	4,783,146
Current assets			
Properties held for sale		**13,121**	24,561
Inventories		**—**	3,061
Financial assets at fair value through profit or loss		**101,189**	68,719
Loans and advances		**15,698**	20,187
Debtors, prepayments and deposits	*10*	**258,270**	325,029
Cash and bank balances		**460,068**	626,228
		848,346	1,067,785
Current liabilities			
Bank loans		**109,008**	87,430
Creditors, accruals and deposits received	*11*	**187,272**	335,745
Tax payable		**53,612**	88,741
		349,892	511,916
Net current assets		**498,454**	555,869
Total assets less current liabilities		**6,201,728**	5,339,015

	2010	2009
	HK$'000	*HK$'000*
Non-current liabilities		
Bank loans	**1,254,737**	1,270,963
Deferred rental	—	170,230
Deferred tax liabilities	**675,709**	493,902
	1,930,446	1,935,095
Net assets	**4,271,282**	3,403,920
Equity		
Equity attributable to equity holders of the Company		
Issued capital	**919,125**	919,125
Reserves	**3,178,120**	2,367,336
	4,097,245	3,286,461
Non-controlling interests	**174,037**	117,459
	4,271,282	3,403,920

Note:

1. PRINCIPAL ACCOUNTING POLICIES

The final results have been reviewed by audit committee of the Company.

The accounting policies and basis of preparation adopted in the preparation of these final results are consistent with those used in the Group's audited financial statements for the year ended 31st December, 2009, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations (hereinafter collectively referred to as the "new and revised HKFRSs"), which have become effective for accounting periods beginning on or after 1st January, 2010, that are adopted for the first time for the current year's final results:

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement — Eligible Hedged Items*
HK(IFRIC)–Int 17	*Distributions of Non-cash Assets to Owners*
HKFRS 5 Amendments included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations — Plan to sell the controlling interest in a subsidiary*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendments to HK Interpretation 4 *Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements — Classification by the Borrower of Term Loan that Contains a Repayment on Demand Clause*

Other than as further explained below regarding the impact of HKFRS 3 (Revised) and HKAS 27 (Revised), the adoption of the new and revised HKFRSs has had no significant financial effect on these final results. The principal effects of adopting theses new and revised HKFRSs are as follows:

HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1st January, 2010.

The application of HKAS 27 (Revised) has affected the accounting for the changes in interests in subsidiaries under the associates. The change in policy has resulted in the excess over the net consideration paid and the decrease in non-controlling interests arising on the changes in non-controlling interests without loss of control under the Group's associates attributable to the Group of HK$3,439,000 being recognised directly in equity, instead of in profit or loss. Therefore, the change in accounting policy has resulted in a decrease in the profit for the year attributable to equity holders of the Company of HK$3,439,000.

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters* [2]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* [4]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Transfers of Financial Assets* [4]
HKFRS 9	*Financial Instruments* [6]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes — Deferred Tax: Recovery of Underlying Assets* [5]
HKAS 24 (Revised)	*Related Party Disclosures* [3]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation — Classification of Rights Issues* [1]
HK(IFRIC)–Int 14 Amendments	Amendments to HK(IFRIC)–Int 14 *Prepayments of a Minimum Funding Requirement* [3]
HK(IFRIC)–Int 19	*Extinguishing Financial Liabilities with Equity Instruments* [2]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1st July, 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)–Int 13 are effective for annual periods beginning on or after 1st January, 2011 although there are separate transitional provisions for each standard or interpretation.

[1] Effective for annual periods beginning on or after 1st February, 2010
[2] Effective for annual periods beginning on or after 1st July, 2010
[3] Effective for annual periods beginning on or after 1st January, 2011
[4] Effective for annual periods beginning on or after 1st July, 2011
[5] Effective for annual periods beginning on or after 1st January, 2012
[6] Effective for annual periods beginning on or after 1st January, 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that while the application of HKFRS 9 may affect the classification and measurement of the Group's financial instruments, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2. REVENUE

Revenue, which is also the Group's turnover, represents the aggregate of gross rental income, gross proceeds from sales of properties, gross rental income from department stores, gross income on treasury investment which includes interest income on bank deposits and debt securities, income from securities investment which includes gain/(loss) on sales of securities investment, dividend income and related interest income, sales income from food business, gross income from property management, and interest and other income from money lending and other businesses.

An analysis of the revenue of the Group by principal activity is as follows:

	2010 ***HK$'000***	2009 *HK$'000* (restated)
Property investment	**202,591**	176,071
Property development	**—**	974,377
Treasury investment	**2,501**	9,691
Securities investment	**15,763**	1,524
Other	**64,081**	60,141
Attributable to continuing operations	**284,936**	1,221,804
Retail business attributable to discontinued operation	**126,031**	131,585
	410,967	1,353,389

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 letting and resale of properties;

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

(c) the treasury investment segment includes investments in cash and bond markets;

(d) the securities investment segment includes dealings in securities and disposals of investments;

(e) the "other" segment comprises principally food business, the provision of commercial and retail banking services, money lending and the provision of property management services; and

(f) the retail business segment engages in operation of department stores. At the end of the reporting period, the retail business segment is classified as discontinued operation of the Group.

Management monitors the results of its 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), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Inter-segment transactions are on arm's length basis in a manner similar to transactions with third parties.

Year ended 31st December, 2010

	Continuing operations							Discontinued operation	
	Property investment *HK$'000*	Property development *HK$'000*	Treasury investment *HK$'000*	Securities investment *HK$'000*	Other *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*	Retail business *HK$'000*	Consolidated *HK$'000*
Revenue									
External	202,591	—	2,501	15,763	64,081	—	284,936	126,031	410,967
Inter-segment	3,276	—	—	—	—	(3,276)	—	—	—
Total	205,867	—	2,501	15,763	64,081	(3,276)	284,936	126,031	410,967
Segment results	849,170 *(Note)*	—	2,364	2,511	19,739	(3,276)	870,508	248,811	1,119,319
Unallocated corporate expenses							(147,072)	—	(147,072)
Finance costs							(43,118)	—	(43,118)
Share of results of associates	(9)	—	—	—	7,862	—	7,853	—	7,853
Share of results of jointly controlled entities	—	81	—	—	(595)	—	(514)	—	(514)
Profit before tax							687,657	248,811	936,468
Segment assets	4,359,399	195,269	460,069	502,115	29,260	—	5,546,112	209,000	5,755,112
Interests in associates	38	—	—	—	762,311	—	762,349	—	762,349
Interests in jointly controlled entities	—	2,972	—	—	4,304	—	7,276	—	7,276
Unallocated assets							26,883	—	26,883
Total assets							6,342,620	209,000	6,551,620
Segment liabilities	1,785,498	56,944	—	335,242	377,899	(2,434,835)	120,748	—	120,748
Unallocated liabilities							2,159,590	—	2,159,590
Total liabilities							2,280,338	—	2,280,338

Year ended 31st December, 2009 (restated)

	Continuing operations							Discontinued operation		
	Property investment *HK$'000*	Property development *HK$'000*	Treasury investment *HK$'000*	Securities investment *HK$'000*	Other *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*	Retail business *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
Revenue										
External	176,071	974,377	9,691	1,524	60,141	—	1,221,804	131,585	—	1,353,389
Inter-segment	3,669	—	—	—	—	(3,669)	—	—	—	—
Total	179,740	974,377	9,691	1,524	60,141	(3,669)	1,221,804	131,585	—	1.353,389
Segment results	340,341 *(Note)*	243,743	8,488	5,074	(38,731)	(3,669)	555,246	(164,257)	—	390,989
Unallocated corporate expenses							(136,430)	—	—	(136,430)
Finance costs							(42,998)	—	—	(42,998)
Share of results of associates	799	—	—	—	(9,677)	—	(8,878)	—	—	(8,878)
Share of results of a jointly controlled entity	—	207,781	—	—	—	—	207,781	—	—	207,781
Profit/(Loss) before tax							574,721	(164,257)	—	410,464
Segment assets	3,514,495	228,168	626,228	412,256	24,733	—	4,805,880	310,685	—	5,116,565
Interests in associates	47	—	—	—	637,768	—	637,815	—	—	637,815
Interests in jointly controlled entities	—	55,130	—	—	4,000	—	59,130	—	—	59,130
Unallocated assets							37,421	—	—	37,421
Total assets							5,540,246	310,685	—	5,850,931
Segment liabilities	1,817,059	68,436	—	265,033	380,447	(2,406,928)	124,047	610,680	(480,223)	254,504
Unallocated liabilities							2,192,507	—	—	2,192,507
Total liabilities							2,316,554	610,680	(480,223)	2,447,011

Note: The amount included fair value gains on investment properties of HK$673,359,000 (2009 — HK$221,630,000).

Geographical information

(a) Revenue from external customers

	2010	2009
	HK$'000	*HK$'000*
		(restated)
Hong Kong	**104,109**	102,151
Republic of Singapore	**40,985**	975,839
Mainland China	**139,534**	143,316
Other	**308**	498
Attributable to continuing operations	**284,936**	1,221,804
Mainland China attributable to discontinued operation	**126,031**	131,585
	410,967	1,353,389

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

(b) Non-current assets

	2010	2009
	HK$'000	*HK$'000*
		(restated)
Hong Kong	**1,558,120**	1,383,960
Republic of Singapore	**714,713**	677,186
Mainland China	**3,029,158**	2,147,457
Other	**357**	30,068
Attributable to continuing operations	**5,302,348**	4,238,671
Mainland China attributable to discontinued operation	**—**	200,938
	5,302,348	4,439,609

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

Information about a major customer

No customer accounted for 10 per cent. or more of the total revenue for the years ended 31st December, 2010 and 2009.

4. SHARE OF RESULTS OF JOINTLY CONTROLLED ENTITIES

The amount included the Group's share of profit in Tanglin Residential Pte. Ltd. ("Tanglin") which was set up for the purpose of a property development project in the Republic of Singapore (the "Project") of HK$81,000 (2009 — HK$207,781,000). Tanglin was the owner and developer of the Project and handed over all the units to the buyers during 2009.

5. PROFIT BEFORE TAX

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

	2010	2009
	HK$'000	*HK$'000*
Interest income:		
Loans and advances	**442**	430
Other	**2,501**	9,691
Dividend income:		
Listed investments	**1,631**	—
Unlisted investments	**—**	1,524
Gain/(Loss) on disposal of:		
Listed financial assets at fair value through profit or loss	**14,132**	—
Unlisted available-for-sale financial assets	**(512)**	—
Net fair value gain on financial assets at fair value through profit or loss:		
Listed	**70**	38
Unlisted	**607**	4,027
Provision for impairment losses on unlisted available-for-sale financial assets	**(13,417)**	(515)
Impairment of goodwill	**—**	(23,371)
Receivables written off	**—**	(4,599)
Allowance for bad and doubtful debts	**(26,645)**	—
Depreciation	**(28,037)**	(34,878)
Impairment of fixed assets	**—**	(5,928)
Gain/(Loss) on disposal of fixed assets:		
Leasehold land and buildings	**35,837**	—
Other items of fixed assets	**4**	(323)
Loss on disposal of investment properties	**(754)**	—
Cost of inventories sold	**(21,114)**	(740,102)

Note: The disclosures presented in this note include those amounts charged/credited in respect of the discontinued operation.

6. INCOME TAX

	2010	2009
	HK$'000	*HK$'000*
Hong Kong:		
Charge for the year	**4,559**	3,257
Overprovision in prior years	**(2,937)**	(31)
Deferred	**34,800**	31,415
	36,422	34,641
Overseas:		
Charge for the year	**10,498**	43,169
Underprovision in prior years	**777**	9
Deferred	**127,674**	10,773
	138,949	53,951
Total charge for the year	**175,371**	88,592

Hong Kong profits tax has been provided at the rate of 16.5 per cent. (2009 — 16.5 per cent.) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

7. DISCONTINUED OPERATION

On 7th August, 2010, the Group entered into an agreement with PT Multipolar Tbk ("Multipolar", as guarantor), an associate of the Group's holding company which is listed on the Indonesia Stock Exchange and Mainvest Limited ("Mainvest", as purchaser), a wholly-owned subsidiary of Multipolar, to sell the retail business including the existing two stores in Tianjin and Chengdu as well as a new store in Yangzhou to Mainvest for an aggregate cash consideration of HK$345,000,000 and an option for three years to buy back 20 per cent. interest therein (the "Disposal"). The Disposal was completed on 15th October, 2010. Following the completion of the Disposal, all the retail business operation was discontinued.

Profit/(Loss) for the year from retail business are presented below:

	2010	2009
	HK$'000	*HK$'000*
Revenue	**126,031**	131,585
Cost of sales	**(116,561)**	(159,843)
Gross profit/(loss)	**9,470**	(28,258)
Administrative expenses	**(40,193)**	(61,367)
Other operating expenses	**(60,996)**	(74,632)
Loss before tax	**(91,719)**	(164,257)
Income tax	**—**	—
	(91,719)	(164,257)
Gain on disposal of discontinued operation (including HK$4,826,000 reclassification of cumulative exchange differences on translation of foreign operations from equity to profit or loss on disposal of the operation)	**340,530**	—
Profit/(Loss) for the year (attributable to equity holders of the Company)	**248,811**	(164,257)
	HK cents	*HK cents*
Earnings/(Loss) per share		
Basic, from discontinued operation	**2.71**	(1.79)
Diluted, from discontinued operation	**2.71**	(1.79)

8. 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 9,191,253,000 ordinary shares (2009 — 9,191,489,000 ordinary shares) in issue during the year.

	2010	2009
	HK$'000	*HK$'000*
Consolidated profit/(loss) attributable to equity holders of the Company:		
From continuing operations	**478,372**	488,121
From discontinued operation	**248,811**	(164,257)
	727,183	323,864

(b) Diluted earnings/(loss) per share

Diluted 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 9,193,066,000 ordinary shares (2009 — 9,191,931,000 ordinary shares), calculated as follows:

	Number of shares	
	2010	2009
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**9,191,253,000**	9,191,489,000
Effect of dilution — weighted average number of ordinary shares:		
Share options	**1,813,000**	442,000
	9,193,066,000	9,191,931,000

9. DIVIDENDS

	2010	2009
	HK$'000	*HK$'000*
Interim dividend, declared, of HK0.3 cent (2009 — HK0.2 cent) per ordinary share	**27,574**	18,383
2009 Special interim dividend, declared, of HK0.8 cent per ordinary share	**—**	73,530
Final dividend, proposed, of HK0.5 cent (2009 — HK0.5 cent) per ordinary share	**45,956**	45,956
	73,530	137,869

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

10. DEBTORS, PREPAYMENTS AND DEPOSITS

The balance mainly comprised of receivables in respect of the disposal of the retail business of HK$209,000,000 (2009 — progress billing receivables in respect of the sales of property units under a development project in the Republic of Singapore of HK$151,429,000).

Included in the balances are trade debtors with an aged analysis as follows:

	2010	2009
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days	**2,426**	4,312
Between 31 and 60 days	—	714
Between 61 and 90 days	—	371
Between 91 and 180 days	—	775
Over 180 days	—	2,489
	2,426	8,661

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

The balances of trade debtors are non-interest-bearing. The carrying amounts of debtors and deposits approximate to their fair values.

11. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

Included in the balances are trade creditors with an aged analysis as follows:

	2010	2009
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days	—	58,040
Between 31 and 60 days	—	9,576
Between 61 and 90 days	—	2,634
Between 91 and 180 days	—	4,418
Over 180 days	—	1,402
	—	76,070

The balances of trade creditors are non-interest-bearing.

MANAGEMENT DISCUSSION AND ANALYSIS

The global economy showed some signs of recovery in 2010, but the pace of recovery varied across industry sectors and regions. Singapore and Asian regions show a strong growth, while the recovery in US and Europe remain at a slower pace. With the positive growth of the local property market and the upgrade of the shopping mall of Lippo Plaza in Shanghai in 2010, property investment sector contributed impressive returns to the Group.

The Group recorded a profit attributable to shareholders of HK$727 million for the year ended 31st December, 2010 (2009 — HK$324 million) which was mainly contributed by the property valuation gain and the disposal of the retail business (presented as discontinued operation).

Results for the year

Turnover for the year 2010 totalled HK$285 million (2009 — HK$1,222 million, restated to exclude the retail business). Turnover in 2009 included revenue recognised for the Newton One project of HK$974 million while no revenue of any development projects was recognised in 2010. Property investment was the principal source of revenue of the Group, representing 71 per cent. (2009 — 71 per cent., which excluded the turnover of property development business of HK$974 million) of the turnover from continuing operations.

Property investment and property development

Property investment business continued to provide stable and recurrent revenue to the Group. Property markets in the regions which the Group conducts its business are on an upward trend since the rebound in 2009.

Lippo Centre in Hong Kong and Lippo Plaza in Shanghai, being the landmarks of the Group in Hong Kong and in mainland China, continued to achieve satisfactory occupancy rates and registered an increase of rental income in 2010. The shopping mall of Lippo Plaza in Shanghai was refurbished and upgraded to provide a high-end shopping environment and the renovation was completed in 2010. With the two renowned international luxury brands, Louis Vuitton and Ermenegildo Zegna, established their stores in Lippo Plaza since the second quarter of 2010, the Group is optimistic on the rental income to be generated. Given the quality and strategic location of the investment properties and the upgrade of the shopping mall in Lippo Plaza, the Group recorded a total revaluation gain on investment properties of HK$673 million (2009 — HK$222 million). As a result, the profit generated from the property investment sector soared by 150 per cent. to HK$849 million in 2010 (2009 — HK$340 million).

Additionally, the Group has participated in various property development projects in mainland China. In August 2010, the Group had successfully won the bid for a piece of land in Huai An City in mainland China for the development of an integrated residential, commercial and retail complex. These property development projects held by the Group are still in planning stage. Accordingly, there was no revenue or profit recorded for this segment in 2010.

Retail business

In August 2010, the Group entered into an agreement to sell the retail business in mainland China under the trade name of "Robbinz", comprising the existing two stores in Tianjin and Chengdu as well as a new store in Yangzhou, to a subsidiary of PT Multipolar Tbk ("Multipolar") for an aggregate cash consideration of HK$345 million and an option for three years to buy back 20 per cent. interest therein (the "Disposal"), resulting in a gain on disposal of HK$341 million. The retail business had been loss making, contributing turnover of HK$126 million (2009 — HK$132 million) to the Group with net operating loss of HK$92 million (2009 — HK$164 million) for 2010. The Disposal can facilitate Robbinz to leverage on Multipolar's significant interests and expertise in the retail sector to achieve necessary economies of scale and improve its performance where the Group holds an option to buy back 20 per cent. interest therein. The Disposal was completed on 15th October, 2010. Following the Disposal, the Group ceased to engage in the retail business. The turnover and the results of the retail business up to the date of completion are presented separately as discontinued operation in the financial statements.

Other businesses

In November 2010, the Group disposed of its interest in a Chinese restaurant in Hong Kong, at a total consideration of HK$31 million and contributed a profit of HK$21 million to the Group in 2010. The disposal is in line with the Group's policy of focusing on core businesses of the Group.

In November 2010, the Group completed the subscription of 42,400,000 new shares in Asia Now Resources Corp., a company whose shares are listed on the TSX Venture Exchange of Canada and primarily engaged in the business of exploration of mineral deposits in mainland China. Such subscription represents a strategic investment of the Group in the promising mineral resources industry.

During the year, the Group registered a share of profit of HK$18 million (2009 — share of loss of HK$9 million) from a listed associate in Singapore, Auric Pacific Group Limited ("APG"). APG is mainly engaged in food manufacturing, wholesale and distribution, food retail and food court operation as well as property and securities investments.

Financial position

As at 31st December, 2010, the Group's total assets amounted to HK$6.6 billion (2009 — HK$5.9 billion). Property-related assets increased to HK$4.6 billion (2009 — HK$3.8 billion), representing 70 per cent. (2009 — 65 per cent.) of the total assets. The cash and cash equivalents of the Group amounted to HK$460 million (2009 — HK$626 million). The Group's financial position remained strong and current ratio of the Group (measured as current assets to current liabilities) increased to 2.42 to 1 (2009 — 2.09 to 1).

As at 31st December, 2010, the bank loans of the Group amounted to HK$1,364 million (2009 — HK$1,358 million). All the bank loans were secured by certain properties of the Group. 72 per cent. and 28 per cent. (2009 — 70 per cent. and 30 per cent.) of the loans were denominated in Hong Kong dollars and Renminbi respectively. All bank loans carried interest at floating rates and 8 per cent. (2009 — 6 per cent.) of the bank loans were repayable within one year. At the end of the year, gearing ratio (measured as total borrowings, net of non-controlling interests, to shareholders' funds) was 32.8 per cent. (2009 — 40.7 per cent.).

As at 31st December, 2010, the net asset value of the Group amounted to HK$4.1 billion (2009 — HK$3.3 billion). This was equivalent to HK45 cents per share (2009 — HK36 cents per share).

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

Apart from the abovementioned, there were no charges on the Group's assets at the end of the year (2009 — Nil). The Group had no material contingent liabilities outstanding (2009 — Nil).

As at 31st December, 2010, the Group's total capital commitment significantly increased to HK$126 million (2009 — HK$60 million), as a result of the property development projects held by the Group. The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

Staff and remuneration

The Group had approximately 145 employees as at 31st December, 2010 (2009 — 753 employees). The significant decrease in the number of employees was due to the disposal of the retail business in mainland China. Total staff costs (including directors' emoluments) during the year amounted to HK$129 million (2009 — HK$114 million). The Group ensures that its employees are offered competitive remuneration packages. Certain employees of the Group were granted options under share option scheme of the Company.

Outlook

The outlook for 2011 will continue to be a challenging year. Despite that the Asian regions showed strong growth in 2010, global business environment remains uncertain to companies around the world under the shadow of sovereign debt crisis in Europe, slow pace of economic recovery in US and the earthquake in Japan. However, the Group remains positive of the prospects of the Asia Pacific region over the medium term. The Group will continue to focus on developments in the Asia Pacific region, especially in mainland China. The Group will keep on refining its existing businesses and cautiously seeking new investment opportunities with long-term growth potential.

DIVIDENDS

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting the payment of a final dividend of HK0.5 cent per share (2009 — HK0.5 cent per share) amounting to approximately HK$46 million for the year ended 31st December, 2010 (2009 — approximately HK$46 million). Together with the interim dividend of HK0.3 cent per share (2009 — an interim dividend of HK0.2 cent per share and a special interim dividend of HK0.8 cent per share, totalled HK1 cent per share) paid on 12th October, 2010, total dividends for the year ended 31st December, 2010 will be HK0.8 cent per share (2009 — HK1.5 cent per share) amounting to approximately HK$73.5 million (2009 — approximately HK$137.9 million). Subject to the approval of shareholders at the forthcoming Annual General Meeting, the final dividend will be paid on or about Wednesday, 6th July, 2011 to shareholders whose names appear on the Register of Members on Wednesday, 8th June, 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Thursday, 2nd June, 2011 to Wednesday, 8th June, 2011 (both dates inclusive) during which period no transfer of share will be registered. In order to qualify for the proposed final dividend and be entitled to attend and vote at the forthcoming Annual General Meeting, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrars, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 1st June, 2011.

BUSINESS REVIEW

2010 was a year when a global economic and financial crisis was averted with the massive fiscal and monetary stimulus programs adopted around the world. The general uplifting of the world economy belies the mix of economic performances for individual economies. US and Europe remained economically subdued. A number of smaller European economies came under financial stress and had to receive European and international financial assistance. However, Asian economies continued to surge forward, with China leading the change and India and the South East Asian countries contributing to the economic momentum. By end 2010, China has overtaken Japan to become the second largest economy in the world.

Benefiting from the economic growth in the regions in which the Group has operation and from the disposal of its retail business in 2010, the Group achieved a very satisfactory performance in 2010 and recorded a consolidated profit attributable to shareholders of approximately HK$727 million for the year ended 31st December, 2010, as compared with a profit of HK$324 million for the year ended 31st December, 2009. Such substantial increase in profit was mainly attributable to the fair value gains of the Group's investment properties and the gain on disposal of its retail business.

The Group's investment properties enjoyed satisfactory occupancy during the year. Rental provided the Group with stable recurrent income. The renovation work of the retail portion of Lippo Plaza in Shanghai was completed in 2010 providing a high-end shopping environment, and it is now nearly fully let. Louis Vuitton, the global leader in luxury goods, and Ermenegildo Zegna, another renowned international luxury brand, became the anchor tenants of the retail portion of Lippo Plaza. Following the revamp of the retail portion of Lippo Plaza, both the rental income and occupancy rate of Lippo Plaza improved.

In August 2010, the Group successfully won the bid for the land use rights of a piece of land in Huai An City (the "Land") in the People's Republic of China (the "PRC") for a consideration of RMB192 million. The Land, with a total site area of approximately 41,000 square metres and a total permissible gross floor area (above ground) of approximately 185,000 square metres, will be developed into an integrated residential, commercial and retail complex. Huai An City is a primary traffic hub of the northern region of Jiangsu Province and is a fast growing city in the PRC. The Land is well-located in the central business district of Qing He District which itself is the political, commercial, business, financial and cultural centre of Huai An City. The above acquisition is a strategic move for the Group to enhance its land bank in the PRC with high development potential.

In anticipation of the increasing competitive business environment of the retail business in the PRC and the increasing demand for further capital injection, the Group entered into a conditional sale and purchase agreement in August 2010 with PT Multipolar Tbk ("Multipolar", together with its subsidiaries, the "Multipolar Group") and its wholly-owned subsidiary for the disposal of its interest in Robbinz (the Group's department store chain in the PRC operating three department stores in Tianjin, Chengdu and Yangzhou) for an aggregate cash consideration of HK$345 million (the "Disposal"). Given that the Multipolar Group has significant interests and expertise in the retail sector, it is anticipated that the Multipolar Group can facilitate Robbinz to achieve necessary economies of scale and improve its performance. Therefore, as part of the transaction, the Group entered into a call option deed with Multipolar and its wholly-owned subsidiary pursuant to which the Group would have a time frame of three years after completion of the Disposal in October 2010 to observe the performance of Robbinz, and would have the right to buy back 20 per cent. of the enlarged interest of Robbinz if it proves to be successful.

The performance of Auric Pacific Group Limited ("APG", a listed company in Singapore in which the Group is interested in approximately 49.3 per cent. of its issued share capital, together with its subsidiaries, the "APG Group") had substantially improved in 2010. APG recorded a consolidated profit attributable to shareholders of approximately S$6.3 million for the year ended 31st December, 2010, as compared to a loss of S$3.4 million for the year ended 31st December, 2009. The substantial improvement in profitability was mainly attributable to, inter alia, improved performance from wholesale and distribution, manufacturing and food retail businesses as a result of higher profit contribution and better cost management, and closure of non-performed food retail outlets and non-core business. Food prices are expected to face upward pressures due to recent spate of weather-related supply disruptions in various parts of the world. With its core businesses in food distribution, manufacturing and retailing, such inflationary pressures will affect the costs of the APG Group. Facing these cost pressures and stiff competition in the food industry, the APG Group will continue to strive to sustain and improve its profitability through more active marketing efforts and promotions, expanding sales channels, improving menu and product offerings as well as controlling operating costs. Food Junction Holdings Limited ("Food Junction"), a listed company in Singapore, in which the APG Group is interested in approximately 58.8 per cent. of its issued share capital (excluding treasury shares), recorded a consolidated profit attributable to shareholders of approximately S$2.6 million for the year ended 31st December, 2010, as compared to a profit of S$3.2 million for the corresponding 12-month period ended 31st December, 2009. Food Junction is a regional foodservice company which operates and manages food courts and restaurants in Singapore, Malaysia, Indonesia, Hong Kong and the PRC. It is anticipated that the F&B industry will continue to be very competitive. Food Junction will make efforts to improve revenue and control cost, and remains committed to grow its food court and F&B business.

In September 2010, the Group entered into a conditional agreement with a wholly-owned subsidiary of Food Junction for the disposal of its entire interest in All Around Limited for a cash consideration of HK$31 million. The material assets of All Around Limited were 90 per cent. interest in the share capital of LCR Catering Services Limited which was engaged in the operation of a Chinese restaurant in Hong Kong. The above disposal was completed in November 2010.

The Group entered into a conditional subscription agreement in September 2010 with Asia Now Resources Corp. ("Asia Now", a company listed on the TSX Venture Exchange of Canada) for the subscription by the Group of 42,400,000 new common shares in Asia Now (the "Asia Now Shares") for an aggregate consideration of C$12,720,000 (the "Subscription"). The Subscription was completed in November 2010, after which the Group was interested in an aggregate of 55,429,908 Asia Now Shares, representing approximately 49.9 per cent., on a non-diluted basis (and approximately 47.5 per cent., on a fully diluted basis) of the issued and outstanding Asia Now Shares. Asia Now is a company primarily engaged in the business of exploration of mineral deposits in the PRC. The Subscription represents a strategic investment of the Group in the promising mineral resource industry.

PROSPECTS

While prospects for Asia remain positive and seem encouraging, there are uncertainties that will linger around the global economy over the near term. For Asia and other emerging markets, the low interest environment and excess market liquidity have fuelled inflationary pressures and concerns on asset bubble. As a result, a host of credit tightening and control measures have been introduced in the PRC and other markets towards the end of 2010 and beginning of this year. In the Middle East and Africa, the political turmoils have yet to unfold and its ramifications to the world economy remain to be seen. In the developed markets, economic recovery continues to remain uncertain. In particular, the triple-whammy of mega earthquake, tsunami and nuclear leaks in Japan, the world third largest economy, may bring new uncertainties to the global economy.

Management is therefore moving forward in a positive but cautious manner, and is watchful of challenges ahead. The Group will keep on refining its existing businesses and take a cautious and prudent approach in managing the Group's investments and businesses.

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

During the year ended 31st December, 2010, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to ensuring high standards of corporate governance practices. The Board of Directors (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.

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31st December, 2010.

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 audited consolidated financial statements of the Company for the year ended 31st December, 2010.

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

Hong Kong, 30th March, 2011

As at the date of this announcement, the Board of Directors of the Company comprises six directors, of which Messrs. Stephen Riady (Chairman) and John Luen Wai Lee (Chief Executive Officer) 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.