LIPPO CHINA RESOURCES LIMITED
力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 156)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH JUNE, 2011

INTERIM RESULTS

The Directors of Lippo China Resources Limited (the "Company") are pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30th June, 2011 together with the comparative figures for the corresponding period in 2010 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30th June, 2011

	Note	**Unaudited six months ended 30th June, 2011** *HK$'000*	2010 *HK$'000* (restated)
CONTINUING OPERATIONS			
Revenue	2	**120,122**	112,040
Cost of sales		**(8,794)**	(12,951)
Gross profit		**111,328**	99,089
Administrative expenses		**(29,384)**	(32,379)
Other operating expenses		**(33,920)**	(51,829)
Fair value gains on investment properties		**388,055**	521,399
Net fair value gain/(loss) on financial assets at fair value through profit or loss		**(4,885)**	18
Gain/(Loss) on disposal of fixed assets		**(1)**	35,843
Provision for impairment losses:			
Associates		**(419)**	(11,958)
Available-for-sale financial assets		**(682)**	(8,945)
Allowance for bad and doubtful debts		**—**	(25,830)
Finance costs		**(22,690)**	(21,252)
Share of results of associates		**(2,352)**	(8,259)
Share of results of jointly controlled entities		**(9)**	(472)
Profit before tax from continuing operations	4	**405,041**	495,425
Income tax	5	**(78,387)**	(134,637)
Profit for the period from continuing operations		**326,654**	360,788
DISCONTINUED OPERATION			
Loss for the period from discontinued operation	6	**—**	(64,173)
Profit for the period		**326,654**	296,615

		Unaudited six months ended 30th June,	
		2011	2010
	Note	***HK$'000***	*HK$'000*
			(restated)
Attributable to:			
Equity holders of the Company		**319,566**	279,398
Non-controlling interests		**7,088**	17,217
		326,654	296,615
		HK cents	*HK cents*
Earnings per share attributable to equity holders of the Company	*7*		
Basic			
— For profit for the period		**3.48**	3.04
— For profit from continuing operations		**3.48**	3.74
Diluted			
— For profit for the period		**3.48**	3.04
— For profit from continuing operations		**3.48**	3.74

Details of the interim dividend are disclosed in Note 8 to the interim results.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30th June, 2011

	Unaudited six months ended 30th June,	
	2011	2010
	HK$'000	*HK$'000*
Profit for the period	**326,654**	296,615
Other comprehensive income/(loss)		
Available-for-sale financial assets:		
Changes in fair value	**4,374**	(7,913)
Share of other comprehensive loss of associates	**(7,430)**	(11,388)
Exchange differences on translation of foreign operations	**87,308**	18,186
Other comprehensive income/(loss) for the period, net of tax	**84,252**	(1,115)
Total comprehensive income for the period	**410,906**	295,500
Attributable to:		
Equity holders of the Company	**401,048**	276,081
Non-controlling interests	**9,858**	19,419
	410,906	295,500

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June, 2011

	Note	30th June, 2011 HK$'000 (Unaudited)	31st December, 2010 HK$'000 (Audited)
Non-current assets			
Fixed assets		**118,387**	116,496
Investment properties		**4,666,601**	4,215,948
Properties under development		**82,819**	75,459
Interests in associates		**778,488**	762,349
Interests in jointly controlled entities		**7,409**	7,276
Available-for-sale financial assets		**404,618**	400,926
Loans and advances		**—**	5,100
Deposits paid for long term investments		**154,413**	119,720
		6,212,735	5,703,274
Current assets			
Properties held for sale		**13,485**	13,121
Financial assets at fair value through profit or loss		**96,304**	101,189
Loans and advances		**20,976**	15,698
Debtors, prepayments and deposits	9	**148,215**	258,270
Cash and bank balances		**497,903**	460,068
		776,883	848,346
Current liabilities			
Bank loans		**524,148**	109,008
Other payables, accruals and deposits received		**195,880**	187,272
Tax payable		**56,010**	53,612
		776,038	349,892
Net current assets		**845**	498,454
Total assets less current liabilities		**6,213,580**	6,201,728

	30th June, 2011 *HK$'000* **(Unaudited)**	31st December, 2010 *HK$'000* (Audited)
Non-current liabilities		
Bank loans	**937,435**	1,254,737
Deferred tax liabilities	**761,644**	675,709
	1,699,079	1,930,446
Net assets	**4,514,501**	4,271,282
Equity		
Equity attributable to equity holders of the Company		
Issued capital	**919,125**	919,125
Reserves	**3,543,105**	3,178,120
	4,462,230	4,097,245
Non-controlling interests	**52,271**	174,037
	4,514,501	4,271,282

Note:

1. PRINCIPAL ACCOUNTING POLICIES

The interim results are unaudited, condensed and have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The interim results have been reviewed by the audit committee of the Company.

The accounting policies and basis of preparation adopted in the preparation of these interim results are consistent with those used in the Group's audited financial statements for the year ended 31st December, 2010, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRS"), HKASs 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, 2011, that are adopted for the first time for the current period's interim results:

HKFRS 1 Amendments	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation — Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*

Apart from the above, the Group also adopted *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording.

The adoption of the above new and revised HKFRSs has no material impact on the accounting policies of the Group and the methods of computation in the Group's interim results.

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 and commissions from concessionaire sales generated 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:

	Six months ended 30th June,	
	2011	2010
	HK$'000	*HK$'000*
		(restated)
Property investment	**108,742**	86,963
Treasury investment	**1,393**	955
Securities investment	**378**	12
Other	**9,609**	24,110
Attributable to continuing operations	**120,122**	112,040
Retail business attributable to discontinued operation	**—**	81,919
	120,122	193,959

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.

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

Six months ended 30th June, 2011

	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	**108,742**	**—**	**1,393**	**378**	**9,609**	**—**	**120,122**	**—**	**120,122**
Inter-segment	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**108,742**	**—**	**1,393**	**378**	**9,609**	**—**	**120,122**	**—**	**120,122**
Segment results	**474,247** *(Note)*	**—**	**904**	**(5,189)**	**6,208**	**—**	**476,170**	**—**	**476,170**
Unallocated corporate expenses							**(46,078)**	**—**	**(46,078)**
Finance costs						**—**	**(22,690)**	**—**	**(22,690)**
Share of results of associates	**(3)**	**—**	**—**	**—**	**(2,349)**	**—**	**(2,352)**	**—**	**(2,352)**
Share of results of jointly controlled entities	**—**	**(18)**	**—**	**—**	**9**	**—**	**(9)**	**—**	**(9)**
Profit before tax							**405,041**	**—**	**405,041**

Six months ended 30th June, 2010 (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*	Consolidated *HK$'000*
Revenue									
External	86,963	—	955	12	24,110	—	112,040	81,919	193,959
Inter-segment	1,876	—	—	—	—	(1,876)	—	—	—
Total	88,839	—	955	12	24,110	(1,876)	112,040	81,919	193,959
Segment results	627,790 *(Note)*	—	932	(8,915)	(20,497)	(1,876)	597,434	(64,173)	533,261
Unallocated corporate expenses							(72,026)	—	(72,026)
Finance costs							(21,252)	—	(21,252)
Share of results of associates	(2)	—	—	—	(8,257)	—	(8,259)	—	(8,259)
Share of results of jointly controlled entities	—	87	—	—	(559)	—	(472)	—	(472)
Profit/(Loss) before tax							495,425	(64,173)	431,252

Note: The amount included fair value gains on investment properties of HK$388,055,000 (2010 — HK$521,399,000).

4. **PROFIT BEFORE TAX**

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

	Six months ended 30th June,	
	2011	2010
	HK$'000	*HK$'000*
Interest income:		
Loans and advances	**178**	253
Other	**1,393**	955
Dividend income:		
Listed investments	**20**	12
Unlisted investments	**358**	—
Net fair value gain/(loss) on financial assets at fair value through profit or loss:		
Listed	**(10)**	18
Unlisted	**(4,875)**	—
Depreciation	**(2,042)**	(16,768)
Impairment of fixed assets	**—**	(1,189)
Gain/(Loss) on disposal of fixed assets:		
Leasehold land and buildings	**—**	35,836
Other items of fixed assets	**(1)**	7
Loss on disposal of investment properties	**—**	(741)
Cost of inventories sold	**—**	(4,916)

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

5. **INCOME TAX**

	Six months ended 30th June,	
	2011	2010
	HK$'000	*HK$'000*
Hong Kong:		
Charge for the period	**3,068**	3,643
Underprovision/(Overprovision) in prior periods	**(2,900)**	10
Deferred	**50,028**	15,420
	50,196	19,073
Overseas:		
Charge for the period	**6,706**	3,648
Underprovision in prior periods	**—**	8
Deferred	**21,485**	111,908
	28,191	115,564
Total charge for the period	**78,387**	134,637

Hong Kong profits tax has been provided at the rate of 16.5 per cent. (2010 — 16.5 per cent.) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

6. DISCONTINUED OPERATION

On 15th October, 2010, the Group completed the sale of the retail business (specifically being the operations of three department stores in Tianjin, Chengdu and Yangzhou) for an aggregate cash consideration of HK$345,000,000 (the "Disposal"). In connection with the Disposal, the Group was granted an option to buy back 20 per cent. of the interest in the retail business within three years from the completion of the Disposal. Following the completion of the Disposal, all the retail business operation was discontinued.

Loss for the six months ended 30th June, 2010 from retail business is presented below:

	Six months ended 30th June, 2010 *HK$'000*
Revenue	81,919
Cost of sales	(76,609)
Gross profit	5,310
Administrative expenses	(28,050)
Other operating expenses	(41,433)
Loss before tax	(64,173)
Income tax	—
Loss for the period (attributable to equity holders of the Company)	(64,173)
	HK cents
Loss per share	
Basic, from discontinued operation	(0.70)
Diluted, from discontinued operation	(0.70)

7. 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 period attributable to equity holders of the Company; and (ii) the weighted average number of 9,191,253,000 ordinary shares (2010 — 9,191,253,000 ordinary shares) in issue during the period.

	Six months ended 30th June,	
	2011	2010
	HK$'000	*HK$'000*
Consolidated profit/(loss) attributable to equity holders of the Company:		
From continuing operations	**319,566**	343,571
From discontinued operation	**—**	(64,173)
	319,566	279,398

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated based on (i) the consolidated profit/(loss) for the period attributable to equity holders of the Company; and (ii) the weighted average number of 9,193,799,000 ordinary shares (2010 — 9,193,052,000 ordinary shares), calculated as follows:

	Number of shares	
	2011	2010
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**9,191,253,000**	9,191,253,000
Effect of dilution — weighted average number of ordinary shares:		
Share options	**2,546,000**	1,799,000
	9,193,799,000	9,193,052,000

8. INTERIM DIVIDEND

	Six months ended 30th June,	
	2011	2010
	HK$'000	*HK$'000*
Interim dividend, declared, of HK0.2 cent (2010 — HK0.3 cent) per ordinary share	**18,383**	27,574

The interim dividend was declared after the end of the reporting period and hence was not accrued on that date.

9. DEBTORS, PREPAYMENTS AND DEPOSITS

The balance mainly comprised of consideration receivables in respect of the disposal of the retail business of HK$105,333,000 (31st December, 2010 — HK$209,000,000), which will be due in October 2011 according to schedule.

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

	30th June, 2011	31st December, 2010
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days	**1,737**	2,426
Between 31 and 60 days	**2**	—
	1,739	2,426

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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Asia region sustained steady economic growth in the first half of 2011, while economic environment in US and Europe remained challenging and uncertain. Property markets for Hong Kong and mainland China showed an upward momentum and the property investment sector continued to contribute impressive returns to the Group.

For the six months ended 30th June, 2011, the Group recorded a profit attributable to shareholders of HK$320 million (2010 — HK$279 million), benefited from the fair value gains of the Group's investment properties.

Results for the period

Turnover for the six months ended 30th June, 2011 totalled HK$120 million (2010 — HK$112 million, restated to exclude the retail business). Property investment was the principal source of revenue of the Group, representing 91 per cent. (2010 — 78 per cent.) 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 region in which the Group conducted its business were on positive trend during the period.

Lippo Centre in Hong Kong and Lippo Plaza in Shanghai, being the landmarks of the Group in Hong Kong and in mainland China, contributed impressive results to the Group. The shopping mall of Lippo Plaza in Shanghai was refurbished and upgraded to provide a high-end shopping environment. With two renowned international luxury brands, Louis Vuitton and Ermenegildo Zegna, established their stores in Lippo Plaza in the second quarter of 2010, the rental income in mainland China increased significantly by 34 per cent. when compared with the corresponding period of the last year.

In April 2011, the Group completed a capital reduction exercise (the "Completion") of a project company which held a majority interest in Lippo Plaza in Shanghai. Following the Completion, the project company has become an indirect wholly-owned subsidiary of the Company and it is more efficient in formulating business decisions.

Given the quality and strategic location of the investment properties, the Group recorded revaluation gains on its investment properties of a total of HK$388 million (2010 — HK$521 million) during the period.

The Group cautiously looked for opportunities to realise the increase in value of its property assets. In June 2011, the Group entered into agreements to sell 16 units of an office building in Beijing at an aggregate consideration of approximately HK$104 million. The disposals represented a good opportunity for the Group to realise the profits.

In June 2011, the Group successfully won the bid for the land use rights of a piece of land with a site area of approximately 80,615 square metres in Taizhou City, Jiangsu Province, mainland China for a consideration of RMB145 million, which is a residential development project comprising townhouses and residential towers. The Group also participated in another development project in Huai An, Jiangsu Province, mainland China with a site area of approximately 41,087 square metres, which will be developed into an integrated residential, commercial and retail complex and is currently under planning and design stage.

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 three department stores in Tianjin, Chengdu and Yangzhou (the "Disposal"). 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 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, which led to the decrease in revenue of other businesses.

In January 2011, the Group acquired the entire interest of Pantogon Holdings Pte Ltd from Jeremiah Holdings Limited, a 60 per cent. subsidiary of the Company. Following the completion of the transaction, the Company has increased its effective interest in Auric Pacific Group Limited, a listed company in Singapore, from approximately 27.9 per cent. to approximately 39.4 per cent.

Financial position

As at 30th June, 2011, the Group's total assets amounted to HK$7.0 billion (31st December, 2010 — HK$6.6 billion). Property-related assets increased to HK$5.0 billion (31st December, 2010 — HK$4.6 billion), representing 72 per cent. (31st December, 2010 — 70 per cent.) of the total assets. The cash and cash equivalents of the Group increased to HK$498 million (31st December, 2010 — HK$460 million).

As at 30th June, 2011, the bank loans of the Group amounted to HK$1,462 million (31st December, 2010 — HK$1,364 million). All the bank loans were secured by certain properties of the Group. 73 per cent. and 27 per cent. (31st December, 2010 — 72 per cent. and 28 per cent.) of the loans were denominated in Hong Kong dollars and Renminbi respectively. All bank loans carried interest at floating rates and 36 per cent. (31st December, 2010 — 8 per cent.) of the bank loans were repayable within one year. At the end of the period, gearing ratio (measured as total borrowings, net of non-controlling interests, to shareholders' funds) stood at 32.8 per cent. (31st December, 2010 — 32.8 per cent.).

As at 30th June, 2011, the net asset value of the Group amounted to HK$4.5 billion (31st December, 2010 — HK$4.1 billion). This was equivalent to HK49 cents per share (31st December, 2010 — HK45 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 period (31st December, 2010 — Nil). The Group had no material contingent liabilities outstanding (31st December, 2010 — Nil).

As at 30th June, 2011, the Group's total capital commitment significantly increased to HK$210 million (31st December, 2010 — HK$126 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 170 employees as at 30th June, 2011 (2010 — 669 employees). The significant decrease in the number of employees was due to the disposal of the retail business in mainland China in the second half of 2010. Total staff costs (including directors' emoluments) during the period amounted to HK$24 million (2010 — HK$40 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 latter half of 2011 will continue to be a challenging period. Unprecedented downgrade of United States credit rating and sovereign debt crisis in Europe added uncertainties to the global economy. Tightening stance on monetary policy and inflationary pressure in mainland China posed challenges to the business environment. However, the Group remains positive of the prospects of the Asia Pacific region over the medium term and will continue to focus on the business developments in the 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.

BUSINESS REVIEW

The global economy, led by the thriving Asian and emerging economies, continued to expand in the first half of 2011. Plagued by the spreading of the Eurozone debt crisis from smaller economies to larger economies such as Spain and Italy, the continuing weak economic recovery in the US with high unemployment and the aftermath of the devastating earthquake, tsunami and nuclear leaks in Japan, economy recovery in the US, Europe and Japan, the major consumer markets, have remained sluggish.

China continued to be the economic driving force in Asia, helped by strong domestic demand and surging exports. Its gross national product grew by 9.6 per cent. from a year ago. However, inflation rose well above target levels which brought renewed action by the Central Government to restrict credit expansion in its effort to rein in inflation. The People's Bank of China increased the banking reserve requirement six times and Renminbi base rates twice during the period under review. These monetary measures appeared to be having an impact. Apart from China, India and the South East Asian countries were the main contributors to the continuing strong economic growth in Asia.

During the period under review, the Group recorded an unaudited consolidated profit attributable to shareholders of approximately HK$320 million for the six months ended 30th June, 2011, as compared with a profit of HK$279 million for the corresponding period in 2010. Such profit was mainly attributable to the profit arising from the fair value gains of its investment properties.

The Group's investment properties continued to enjoy satisfactory occupancy for the first half of the year and provided the Group with stable recurrent income. In April 2011, the Group had completed the capital reduction exercise of a project company which currently owns 26 office floors and nearly the entire retail mall at Lippo Plaza in Shanghai (the "Completion"). Following the Completion, this project company has become an indirect wholly-owned subsidiary of the Company through which it is more efficient for the Company to exercise management control and formulate business decisions. The Group's share of results in Lippo Plaza increased accordingly. With the revamp of the retail mall, the rental income and occupancy rate of Lippo Plaza have improved and provided the Group with a stable and reliable income stream.

To enhance its land bank in mainland China with high development potential, the Group successfully won the bid for the land use rights of a piece of land in Taizhou City, Jiangsu Province (the "Land") for a consideration of RMB145 million in June 2011. The Land is located in China Medical City (中國醫藥城) ("CMC") with a total site area of approximately 80,615 square metres and a total permissible gross floor area (above ground) of approximately 161,230 square metres. It is planned to develop a residential project comprising townhouses and residential towers on the Land. Taizhou is a traffic hub connecting the southern and northern regions of the Jiangsu Province and is a fast developing city in mainland China in new industry and trade, and CMC is the only national level medical high-tech development zone (國家級醫藥高新技術產業開發區) in mainland China, with an area of approximately 25 square kilometres.

During the first half of the year, the Group entered into agreements for the disposal of a total of 16 units of an office building in Beijing for an aggregate consideration of RMB86,548,000. Such disposals represent a good opportunity for the Group to realise its properties at a reasonable price. The proceeds from the disposals will be applied towards the general working capital and/or other capital expenditure of the Group.

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") recorded a consolidated profit attributable to shareholders of approximately S$97,000 for the six months ended 30th June, 2011, as compared with a profit of S$1.1 million for the last corresponding period in 2010. The decrease in profit was mainly attributable to higher cost of raw materials which eroded gross profit margin and higher advertising and promotion expenses. The inflationary pressures on food items and cost of raw materials will continue to be a challenge to the F&B industry. Facing cost pressures and stiff competition, the APG Group will continue to focus on streamlining its food retail division, expand its business operations through new food retail concepts and contain rising costs in its efforts to sustain and improve its profitability. Discussion and negotiation on a new agreement to replace Delifrancé's existing trademark licensing agreement has taken place. In January 2011, the Company's effective interest in APG was increased from approximately 27.9 per cent. to approximately 39.4 per cent.

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$1.6 million for the first half of the year, as compared with a profit of approximately S$1.5 million for the same period in 2010. Food Junction is a regional foodservice company which operates and manages food courts and restaurants in Singapore, Malaysia, Indonesia, Hong Kong and mainland China. Food Junction expects operating conditions will be challenging. It will continue to streamline its food court and F&B operations, expand business operations through the introduction of new F&B concepts and control operating costs to improve its results and financial position.

PROSPECTS

Prospects for Asia remain positive but the continuing economic uncertainty in the US, Europe and Japan suggests that the downside risks of the global economy have been increasing. The recent downgrade of US long-term sovereign debt rating by a credit rating agency has provoked turbulences in the global stock and financial markets and its impact on the global economy is yet to be seen but could be far reaching. The persistently weak US economy and the Eurozone debt crisis will continue to dampen the global economy recovery. Inflation has emerged as a subject of concern. For much of Asia, the low interest rate environment, itself a result of markets flushed with liquidity, has stoked inflationary pressures. Escalating food and commodity prices and rising property prices have sparked community concerns. In response, countries like China and India have introduced credit tightening measures in their effort to tackle the inflation problem.

The Group will continue to focus on its existing businesses in the Asia-Pacific region for its long term growth. Management is watchful of the economic challenges ahead, and will accordingly continue to take a cautious and prudent approach in managing the Group's property portfolio and businesses and in assessing new investment opportunities.

INTERIM DIVIDEND

The Directors have resolved to declare the payment of an interim dividend of HK0.2 cent per share (2010 — HK0.3 cent per share) amounting to approximately HK$18,383,000 for the six months ended 30th June, 2011 (2010 — HK$27,574,000), which will be paid on or about Tuesday, 18th October, 2011 to shareholders whose names appear on the Register of Members on Wednesday, 12th October, 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 10th October, 2011 to Wednesday, 12th October, 2011 (both dates inclusive) during which period no transfer of share will be registered. In order to qualify for the interim dividend for the six months ended 30th June, 2011, 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 Friday, 7th October, 2011.

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

During the six months ended 30th June, 2011, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

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 unaudited consolidated interim financial statements of the Company for the six months ended 30th June, 2011.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to ensuring high standards of corporate governance practices. The Board of Directors of the Company (the "Board") believes that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. Corporate governance requirements keep changing, therefore the Board reviews its corporate governance practices from time to time to ensure they meet public and shareholders' expectation, comply with legal and professional standards and reflect the latest local and international developments. The Board will continue to commit itself to achieving a high quality of corporate governance.

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 six months ended 30th June, 2011.

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

Hong Kong, 30th August, 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.