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, 2011

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, 2011 together with the comparative figures for the corresponding period in 2010 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31st December, 2011

	Note	**2011** *HK$'000*	2010 *HK$'000*
CONTINUING OPERATIONS			
Revenue	*2*	**244,372**	284,936
Cost of sales		**(18,915)**	(37,624)
Gross profit		**225,457**	247,312
Administrative expenses		**(84,448)**	(128,857)
Other operating expenses		**(77,192)**	(91,708)
Fair value gains on investment properties		**384,316**	673,359
Gain on disposal of fixed assets		**1,193**	35,841
Gain/(Loss) on disposal of subsidiaries		**(15,776)**	21,294
Net fair value gain/(loss) on financial assets at fair value through profit or loss		**(6,989)**	677
Provisions for impairment losses:			
Properties under development		**(27,071)**	—
Associates		**(419)**	(21,065)
Available-for-sale financial assets		**—**	(13,417)
Finance costs		**(49,651)**	(43,118)
Share of results of associates		**25,041**	7,853
Share of results of jointly controlled entities		**1,597**	(514)
Profit before tax from continuing operations	*4*	**376,058**	687,657
Income tax	*5*	**(82,289)**	(175,371)
Profit for the year from continuing operations		**293,769**	512,286
DISCONTINUED OPERATION			
Profit for the year from discontinued operation	*6*	**—**	248,811
Profit for the year		**293,769**	761,097

	Note	2011 HK$'000	2010 HK$'000
Attributable to:			
Equity holders of the Company		**288,457**	727,183
Non-controlling interests		**5,312**	33,914
		293,769	761,097
		HK cents	*HK cents*
Earnings per share attributable to equity holders of the Company	7		
Basic			
— For profit for the year		**3.14**	7.91
— For profit from continuing operations		**3.14**	5.20
Diluted			
— For profit for the year		**3.14**	7.91
— For profit from continuing operations		**3.14**	5.20

Details of the dividends payable and proposed for the year are disclosed in Note 8 to the final results.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December, 2011

	2011	2010
	HK$'000	*HK$'000*
Profit for the year	**293,769**	761,097
Other comprehensive income/(loss)		
Available-for-sale financial assets:		
Changes in fair value	**(80,857)**	98,978
Derecognition of available-for-sale financial assets	**—**	(23,636)
	(80,857)	75,342
Share of other comprehensive loss of associates	**(5,841)**	(20,243)
Exchange differences on translation of foreign operations	**105,321**	125,520
Reclassification adjustments relating to disposal of foreign operations	**—**	(4,826)
Other comprehensive income for the year, net of tax	**18,623**	175,793
Total comprehensive income for the year	**312,392**	936,890
Attributable to:		
Equity holders of the Company	**310,392**	880,875
Non-controlling interests	**2,000**	56,015
	312,392	936,890

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December, 2011

	Note	**2011** *HK$'000*	2010 *HK$'000*
Non-current assets			
Fixed assets		**114,364**	116,496
Investment properties		**4,599,721**	4,215,948
Properties under development		**—**	75,459
Interests in associates		**763,032**	762,349
Interests in jointly controlled entities		**8,783**	7,276
Available-for-sale financial assets		**360,412**	400,926
Loans and advances		**—**	5,100
Deposits paid for long term investments		**192,624**	119,720
		6,038,936	5,703,274
Current assets			
Properties held for sale		**68,557**	13,121
Financial assets at fair value through profit or loss		**125,042**	101,189
Loans and advances		**5,100**	15,698
Debtors, prepayments and deposits	*9*	**42,178**	258,270
Cash and bank balances		**558,233**	460,068
		799,110	848,346
Current liabilities			
Bank loans		**126,340**	109,008
Other payables, accruals and deposits received		**220,217**	187,272
Tax payable		**52,147**	53,612
		398,704	349,892
Net current assets		**400,406**	498,454
Total assets less current liabilities		**6,439,342**	6,201,728
Non-current liabilities			
Bank loans		**1,269,956**	1,254,737
Deferred tax liabilities		**775,400**	675,709
		2,045,356	1,930,446
Net assets		**4,393,986**	4,271,282
Equity			
Equity attributable to equity holders of the Company			
Issued capital		**919,125**	919,125
Reserves		**3,432,858**	3,178,120
		4,351,983	4,097,245
Non-controlling interests		**42,003**	174,037
		4,393,986	4,271,282

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, 2010, 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, 2011, that are adopted for the first time for the current year's final results:

HKFRS 1 Amendment	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*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

The adoption of the above new and revised HKFRSs has had no significant financial effect on these final 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:

	2011	2010
	HK$'000	*HK$'000*
Property investment	**221,521**	202,591
Treasury investment	**3,096**	2,501
Securities investment	**2,392**	15,763
Other	**17,363**	64,081
Attributable to continuing operations	**244,372**	284,936
Retail business attributable to discontinued operation	**—**	126,031
	244,372	410,967

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, 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	221,521	—	3,096	2,392	17,363	—	244,372	—	244,372
Inter-segment	—	—	—	—	—	—	—	—	—
Total	221,521	—	3,096	2,392	17,363	—	244,372	—	244,372
Segment results	554,124 *(Note)*	(34,147)	2,585	(4,597)	(10,554)	—	507,411	—	507,411
Unallocated corporate expenses							(108,340)	—	(108,340)
Finance costs							(49,651)	—	(49,651)
Share of results of associates	(3)	—	—	—	25,044	—	25,041	—	25,041
Share of results of jointly controlled entities	—	1,606	—	—	(9)	—	1,597	—	1,597
Profit before tax							376,058	—	376,058
Segment assets	4,740,043	288,938	521,400	488,718	11,481	—	6,050,580	—	6,050,580
Interests in associates	—	—	—	—	763,032	—	763,032	—	763,032
Interests in jointly controlled entities	—	4,488	—	—	4,295	—	8,783	—	8,783
Unallocated assets							15,651	—	15,651
Total assets							6,838,046	—	6,838,046
Segment liabilities	1,869,052	61,902	—	232,561	285,487	(2,304,054)	144,948	—	144,948
Unallocated liabilities							2,299,112	—	2,299,112
Total liabilities							2,444,060	—	2,444,060

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	—	2,364	2,511	19,739	(3,276)	870,508	248,811	1,119,319
	(Note)								
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

Note: The amount included fair value gains on investment properties of HK$384,316,000 (2010 — HK$673,359,000).

Geographical information

(a) Revenue from external customers

	2011 *HK$'000*	2010 *HK$'000*
Hong Kong	**66,759**	104,109
Mainland China	**174,142**	139,534
Republic of Singapore	**492**	40,985
Other	**2,979**	308
Attributable to continuing operations	**244,372**	284,936
Mainland China attributable to discontinued operation	**—**	126,031
	244,372	410,967

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

(b) Non-current assets

	2011	2010
	HK$'000	*HK$'000*
Hong Kong	**1,721,110**	1,558,120
Mainland China	**3,290,065**	3,029,158
Republic of Singapore	**667,296**	714,713
Other	**53**	357
Attributable to continuing operations	**5,678,524**	5,302,348
Mainland China attributable to discontinued operation	**—**	—
	5,678,524	5,302,348

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, 2011 and 2010.

4. PROFIT BEFORE TAX

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

	2011	2010
	HK$'000	*HK$'000*
Interest income:		
Loans and advances	**178**	442
Other	**3,096**	2,501
Dividend income:		
Listed investments	**2,034**	1,631
Unlisted investments	**358**	—
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/(loss) on financial assets at fair value through profit or loss:		
Listed	**1,606**	70
Unlisted	**(8,595)**	607
Provision for impairment losses on unlisted available-for-sale financial assets	**—**	(13,417)
Allowance for bad and doubtful debts	**—**	(26,645)
Depreciation	**(4,036)**	(28,037)
Gain/(Loss) on disposal of fixed assets:		
Leasehold land and buildings	**1,394**	35,837
Other items of fixed assets	**(201)**	4
Loss on disposal of investment properties	**(784)**	(754)
Cost of inventories sold	**—**	(21,114)

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

5. INCOME TAX

	2011	2010
	HK$'000	*HK$'000*
Hong Kong:		
Charge for the year	**3,856**	4,559
Overprovision in prior years	**(5,056)**	(2,937)
Deferred	**28,641**	34,800
	27,441	36,422
Overseas:		
Charge for the year	**14,879**	10,498
Underprovision in prior years	**—**	777
Deferred	**39,969**	127,674
	54,848	138,949
Total charge for the year	**82,289**	175,371

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 year. 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 the 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 completion of the Disposal. Following the completion of the Disposal, all the retail business operation was discontinued.

Profit for the year ended 31st December, 2010 from retail business is presented below:

	2010
	HK$'000
Revenue	126,031
Cost of sales	(116,561)
Gross profit	9,470
Administrative expenses	(40,193)
Other operating expenses	(60,996)
Loss before tax	(91,719)
Income tax	—
	(91,719)
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 for the year (attributable to equity holders of the Company)	248,811
	HK cents
Earnings per share	
Basic, from discontinued operation	2.71
Diluted, from discontinued operation	2.71

7. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(a) Basic earnings per share

Basic earnings per share is calculated based on (i) the consolidated profit for the year 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 year.

	2011	2010
	HK$'000	*HK$'000*
Consolidated profit attributable to equity holders of the Company:		
From continuing operations	**288,457**	478,372
From discontinued operation	**—**	248,811
	288,457	727,183

(b) Diluted earnings per share

Diluted earnings per share is calculated based on (i) the consolidated profit for the year attributable to equity holders of the Company; and (ii) the weighted average number of 9,192,983,000 ordinary shares (2010 — 9,193,066,000 ordinary shares), calculated as follows:

	Number of shares	
	2011	2010
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**9,191,253,000**	9,191,253,000
Effect of dilution — weighted average number of ordinary shares:		
Share options	**1,730,000**	1,813,000
	9,192,983,000	9,193,066,000

8. DIVIDENDS

	2011	2010
	HK$'000	*HK$'000*
Interim dividend, declared, of HK0.2 cent (2010 — HK0.3 cent) per ordinary share	**18,383**	27,574
Final dividend, proposed, of HK0.5 cent (2010 — HK0.5 cent) per ordinary share	**45,956**	45,956
Special final dividend, proposed, of HK1.5 cent (2010 — Nil) per ordinary share	**137,869**	—
	202,208	73,530

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

9. DEBTORS, PREPAYMENTS AND DEPOSITS

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

	2011	2010
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days	**2,306**	2,426
Between 31 and 60 days	**513**	—
Between 61 and 90 days	**14**	—
	2,833	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.

The balance as at 31st December, 2010 mainly comprised consideration receivables in respect of the disposal of the retail business of HK$209,000,000, which was fully settled in 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Uncertainties surrounding the US economy and the sovereign debt crises in Europe over-shadowed the global economic environment in 2011. In mainland China, the Central Government implemented more tightening policies to cool down the economy. The Group reported a profit attributable to shareholders of HK$288 million for 2011 (2010 — HK$478 million when profit from discontinued operation was excluded). Apart from the normal operating income, the Group was benefited from the fair value gain on investment properties under the Group's subsidiaries during the year. The reduction in profit was primarily attributable to lower fair value gain of investment properties as compared with last year.

Results for the year

Turnover for the year 2011 totalled HK$244 million (2010 — HK$285 million). Property investment remained the principal source of revenue of the Group, representing 91 per cent. (2010 — 71 per cent.) of the turnover from continuing operations.

Property investment and property development

Property investment business continued to provide stable and recurring revenue to the Group. Lippo Centre in Hong Kong and Lippo Plaza in Shanghai, being the landmarks of the Group in Hong Kong and in mainland China respectively, continued to contribute remarkable results to the Group. The shopping mall of Lippo Plaza in Shanghai re-commenced operation in the second quarter of 2010 after a revamp of the mall, which was refurbished and upgraded to provide a high-end shopping environment. Rental income from the Group's properties in mainland China increased by 23 per cent. when compared with that of last year.

In April 2011, a subsidiary of the Company, which holds a majority interest in Lippo Plaza in Shanghai, completed a capital reduction exercise (the "Completion"). Following the Completion, the subsidiary became an indirect wholly-owned subsidiary of the Company. The realignment is conducive to effective business decision making and formulation.

Given the quality and strategic location of the investment properties, the Group recorded revaluation gains on its investment properties of a total of HK$384 million (2010 — HK$673 million) during the year.

The Group continues to look for opportunities to realise the increase in value of its property assets. During the year, the Group completed the disposal of several office units in Beijing and a residential unit in Hong Kong at an aggregate consideration of approximately HK$157 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 right 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 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 in planning and design stage. The Group will remain cautious in light of the changing market conditions and will timely adjust its development strategies accordingly.

Treasury and Securities investment

In 2011, treasury and securities investments business recorded a revenue of HK$5 million (2010 — HK$18 million), with a net loss of HK$2 million (2010 — net profit of HK$5 million). The drop was mainly attributable to the fair value loss on security investments. The global investment market is challenging and full of uncertainties. Anticipating future volatility, the Group cautiously managed its investment portfolio with a continuing focus on improving the overall asset quality. During the year, the Group acquired approximately 7 per cent. of the then issued share capital of Haranga Resources Limited ("Haranga"), a listed company in Australia engaged in the acquisition, exploration and development of iron ores in Mongolia for an aggregate consideration of approximately A$4 million, and an attributable interest of 8 per cent. of the total issued and outstanding Class A units in Skye Mineral Partners, LLC ("Skye"), which has interests in a few copper ore deposits in State of Utah in the United States of America for a consideration of US$4.88 million. Subsequent to year end, the Group further invested in Haranga for a total consideration of approximately A$6 million. Moreover, the Group entered into an agreement for the acquisition of 8 per cent. interests in Skye for an aggregate consideration of US$8 million.

Other businesses

In November 2010, the Group disposed of a Chinese restaurant in Hong Kong to an associate which led to the decrease in revenue from other businesses.

In January 2011, the Group acquired the 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 increased its effective interest in Auric Pacific Group Limited ("APG"), a listed company in Singapore, from approximately 27.9 per cent. to approximately 39.4 per cent. APG is mainly engaged in food manufacturing, wholesale and distribution, food retail and food court operation as well as property and securities investment. The Group recorded a share of profit of HK$26 million (2010 — HK$18 million) from APG during the year.

The Group also owns approximately 49.9 per cent. interests in Asia Now Resources Corp. ("Asia Now"), a company listed on the TSX Venture Exchange of Canada and is primarily engaged in the business of exploration of mineral deposits in mainland China. Asia Now is currently focusing on the exploration of the site at Beiya in Yunnan Province. An independent technical report was released in January 2012, which was prepared in accordance with the National Instrument 43–101 and the Canadian Institute of Mining, Metallurgy and Petroleum Standard Definitions for Mineral Projects on the initial mineral resource estimate for the deposit.

Financial position

As at 31st December, 2011, the Group's total assets amounted to HK$6.8 billion (2010 — HK$6.6 billion). Property-related assets increased to HK$5.0 billion (2010 — HK$4.6 billion), representing 74 per cent. (2010 — 70 per cent.) of the total assets. The cash and cash equivalents of the Group increased to HK$558 million (2010 — HK$460 million). Total liabilities slightly increased to HK$2.4 billion (2010 — HK$2.3 billion). The Group's financial position remained healthy and the current ratio (measured as current assets to current liabilities) was 2.0 to 1 (2010 — 2.4 to 1). The net asset value of the Group remained strong and increased to HK$4.4 billion (2010 — HK$4.1 billion). This was equivalent to HK47 cents per share (2010 — HK45 cents per share).

As at 31st December, 2011, bank loans of the Group increased to HK$1,396 million (2010 — HK$1,364 million). All the bank loans were secured by certain properties of the Group and denominated in Hong Kong dollars and Renminbi. All bank loans carried interest at floating rates. Approximately 9 per cent. (2010 — 8 per cent.) of the bank loans were repayable within one year. At the end of the year, the gearing ratio (measured as total borrowings, net of non-controlling interests, to shareholders' funds) improved to 32.1 per cent. (2010 — 32.8 per cent.).

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 foreign exchange exposure.

Apart from the abovementioned, there were no charges on the Group's assets at the end of the year (2010 — Nil). The Group had no material contingent liabilities outstanding (2010 — Nil).

As at 31st December, 2011, the Group's total capital commitment increased to HK$230 million (2010 — HK$126 million), mainly attributable to 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 187 employees as at 31st December, 2011 (2010 — 145 employees). The increase in the number of employees was mainly due to the expansion of the property development team in mainland China. Staff costs (including directors' emoluments) charged to the income statement during the year amounted to HK$71 million (2010 — HK$129 million). The Group ensures that its employees are offered competitive remuneration packages. Certain employees of the Group were granted options under the share option scheme of the Company.

Outlook

2012 will continue to be a challenging year, as the European sovereign debt crises have not only caused turmoil in Eurozone economies, but also upset the global economy. There is growing concern that the world economy may face deepening volatility, unless the European debt problems can be resolved. Though inflationary pressure and tightening monetary measures in mainland China are lessened, the business environment is still challenging. However, the Group remains positive of the prospects of the Asia Pacific region over the medium term and will continue to focus on business development in the region. The Group will anticipate and respond to the fast changing market conditions, refine its existing businesses and prudently seek new investment opportunities with long-term growth potential.

DIVIDENDS

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting (the "2012 AGM") the payment of a final dividend of HK0.5 cent per share (2010 — HK0.5 cent per share) and a special final dividend of HK1.5 cent per share (2010 — Nil) amounting to a total of approximately HK$183.8 million for the year ended 31st December, 2011 (2010 — approximately HK$46 million). Together with the interim dividend of HK0.2 cent per share (2010 — HK0.3 cent per share) paid on 18th October, 2011, total dividends for the year ended 31st December, 2011 will be HK2.2 cents per share (2010 — HK0.8 cent per share) amounting to approximately HK$202.2 million (2010 — approximately HK$73.5 million). Subject to the approval of shareholders at the 2012 AGM, the final dividend and special final dividend will be paid on or about Friday, 6th July, 2012 to shareholders whose names appear on the Register of Members on Wednesday, 13th June, 2012.

CLOSURE OF REGISTER OF MEMBERS

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

(i) from Thursday, 31st May, 2012 to Tuesday, 5th June, 2012 (both dates inclusive) during which period no transfer of share will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2012 AGM. In order to be entitled to attend and vote at the 2012 AGM, 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, 30th May, 2012.

(ii) from Monday, 11th June, 2012 to Wednesday, 13th June, 2012 (both dates inclusive) during which period no transfer of share will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend and special final dividend. In order to qualify for the proposed final dividend and special final dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's 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, 8th June, 2012.

BUSINESS REVIEW

The global economy deteriorated visibly in 2011, with seeming recovery in the US and sovereign debt crisis dragging on across the Eurozone, emerging as an imminent source of threat to the world. With consumer and investor confidence and job markets staying weak, the economic prospect in developed economies has remained sluggish. In contrast, the growth of the emerging economies, though slowing, remains strong. Mainland China continued to be Asia's economic driving force, with its gross national product grew by 9.2 per cent. from a year ago. However, inflation rose well above target levels which brought renewed monetary action by the Central Government in the first half of 2011 to restrict credit expansion and bring down inflation, through, inter alia, increases of the banks' reserve requirement and Renminbi base rates. The inflation rate of mainland China eased from its peak of 6.5 per cent. in mid 2011 to 4.1 per cent. in late 2011. Apart from mainland China, India and the South East Asian countries, including Singapore, were the main contributors to the continuing steady economic growth in Asia.

Benefiting from steady economic growth in the Asian region in which the Group had operations, the Company recorded a consolidated profit attributable to shareholders of approximately HK$288 million for the year ended 31st December, 2011, as compared with a profit of HK$478 million for the year ended 31st December, 2010 when profit from discontinued operation was excluded.

The Group's investment properties continued to enjoy satisfactory occupancy during the year under review and provided the Group with stable recurrent income. In April 2011, a subsidiary of the Company, which currently owns a majority interest in Lippo Plaza in Shanghai, had completed the capital reduction exercise (the "Completion"). Following the Completion, such subsidiary 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. The plan is to develop a residential development 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 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 year under review, the Group entered into agreements for the disposal of a total of 17 office units in Beijing and two residential units in Hong Kong for an aggregate consideration of RMB90.4 million and approximately HK$102.3 million respectively. Subsequent to the year end, the Group also entered into agreements for the disposal of a couple of residential units in Hong Kong for an aggregate consideration of approximately HK$270.8 million. Such disposals reflect good opportunities for the Group to realise its property portfolio at favourable market prices. The proceeds from the disposals had been/would be applied towards the general working capital and development projects 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$8.6 million for the year ended 31st December, 2011, as compared with a profit of S$6.3 million for the year ended 31st December, 2010. The higher cost of raw materials and higher operating expenses 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. 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 61.4 per cent. of its issued share capital (excluding treasury shares), recorded a consolidated profit attributable to shareholders of approximately S$828,000 for the year ended 31st December, 2011, as compared with a profit of approximately S$2.65 million for the year ended 31st December, 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. Anticipating operating conditions challenging, Food Junction 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.

During the year, Asia Now Resources Corp. ("Asia Now"), in which the Group is interested in approximately 49.9 per cent. of its issued share capital, has focused its efforts in exploration of the site at Beiya in Yunnan Province. The exploration has made significant progress. An independent technical report prepared in accordance with the National Instrument 43–101 and the Canadian Institute of Mining, Metallurgy and Petroleum Standard Definitions for Mineral Projects on the initial mineral resource estimate for the deposit in Beiya North was obtained in January 2012. Plans are being made to bring the exploration to a mining stage. Asia Now is a company listed on the TSX Venture Exchange of Canada, and is primarily engaged in the business of exploration of mineral deposits in mainland China.

In December 2011, the Group had acquired 14,470,000 ordinary shares in, representing approximately 7.35 per cent. of the then issued share capital of, Haranga Resources Limited ("Haranga") for an aggregate consideration of A$4,051,600. Subsequent to the year end, in March 2012, the Group entered into a subscription agreement with Haranga for the subscription of 15,000,000 new ordinary shares in Haranga at an aggregate subscription price of A$6 million. Immediately after the above subscription, the Group is interested in a total of 29,470,000 shares in, representing approximately 13.92 per cent., on a non-diluted basis (and approximately 11.9 per cent., on a fully diluted basis) of, the issued share capital of Haranga. Haranga is listed on the Australian Securities Exchange and is primarily engaged in the acquisition, exploration and development of iron ore projects in Mongolia and owns a controlling interest in four separate iron ore projects in Mongolia. In addition, the Group acquired in November 2011 an attributable interest of 8 per cent. of the total issued and outstanding Class A units in Skye Mineral Partners, LLC ("Skye") for a consideration of US$4.88 million. In February 2012, the Group entered into a membership unit purchase agreement for the acquisition of a further 3,600 Class A units in, representing 8 per cent. of the total issued and outstanding Class A units and approximately 7.58 per cent. of the total issued and outstanding units in, Skye for a total consideration of US$8 million. Skye, through its majority owned subsidiary, CS Mining, LLC, owns and controls a few copper ore deposits located in the Milford Mineral Belt in Beaver County, State of Utah in the United States of America, and is expected to engage in the business of mining and processing copper and possibly other minerals following receipt of the appropriate permits. The above acquisitions have provided another opportunity for the Group to invest in the promising mineral resource industry.

In November 2011, the Group entered into an agreement for the disposal of the entire issued share capital of Winnery Limited ("Winnery") for a consideration of IDR240,000,000,000. An initial payment of IDR24,000,000,000 had been received by the Group and the balance of the consideration would be received in the final completion date which is expected to be in late 2012. Winnery holds 480 million shares in PT Lippo Karawaci Tbk, a company incorporated in Indonesia and whose shares are listed on the Indonesia Stock Exchange. The above disposal represents a good opportunity for the Group to realise a gain from its investments and enable the Company to have additional capital and to, in the future, consider suitable investment opportunities if and when presented to it.

PROSPECTS

The global economic outlook remains subdued. In the Eurozone, the uncertainties over the European debt crisis are unlikely to be resolved shortly. Consumer and investor confidence will remain volatile. In comparison, the US economy has shown signs of pick-up but the pace of recovery will be restrained by continued weakness in the property market and public spending cuts. The major Asian economies are likely to record slower growth as their export performance will be affected by the uncertainties in the developed economies. However, inflation has broadly stabilised, creating room for policy easing. In February 2012, mainland China has lowered banks' reserve requirement.

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 investment portfolio and businesses and in assessing new investment opportunities. In view of rising global commodity prices and scarcity of resources, the Group will seize suitable investment opportunities in mineral resource industry when opportunities arise.

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

During the year ended 31st December, 2011, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

CODE OF 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, 2011.

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, 2011.

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

Hong Kong, 29th March, 2012

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.