LIPPO CHINA RESOURCES LIMITED
力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 156)

SECOND INTERIM RESULTS FOR THE TWELVE MONTHS ENDED 31ST DECEMBER, 2012

The second unaudited consolidated interim results for the twelve months ended 31st December, 2012 of Lippo China Resources Limited (the "Company") are prepared due to the change of financial year end date from 31st December to 31st March, as set out in the announcement of the Company dated 28th December, 2012. The Directors of the Company announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the twelve months ended 31st December, 2012 together with the comparative figures for the corresponding period in 2011 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the twelve months ended 31st December, 2012

	Note	**2012** ***HK$'000*** **(Unaudited)**	2011 *HK$'000* (Restated)
Revenue	*2*	**326,055**	244,372
Cost of sales		**(79,829)**	(18,915)
Gross profit		**246,226**	225,457
Administrative expenses		**(122,637)**	(84,448)
Other operating expenses		**(116,683)**	(102,286)
Fair value gains on investment properties		**519,827**	384,316
Gain/(Loss) on disposal of investment properties		**65,275**	(784)
Gain/(Loss) on disposal of subsidiaries		**69,279**	(15,776)
Loss on derecognition of an associate		**(61,363)**	—
Net fair value loss on financial instruments at fair value through profit or loss		**(57,957)**	(6,989)
Provisions for impairment losses:			
Associates		**(31,137)**	(419)
Available-for-sale financial assets		**(23,639)**	—
Finance costs		**(65,430)**	(49,651)
Share of results of associates		**9,166**	25,041
Share of results of jointly controlled entities		**(537)**	1,597
Profit before tax	*4*	**430,390**	376,058
Income tax	*5*	**(132,133)**	(54,011)
Profit for the period		**298,257**	322,047

	Note	**2012**	2011
		HK$'000	*HK$'000*
		(Unaudited)	(Restated)
Attributable to:			
Equity holders of the Company		**290,667**	316,735
Non-controlling interests		**7,590**	5,312
		298,257	322,047
		HK cents	*HK cents*
		(Unaudited)	(Restated)
Earnings per share attributable to equity holders of the Company	*6*		
Basic		**3.16**	3.45
Diluted		**3.16**	3.45

Details of the dividends are disclosed in Note 7 to the interim results.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the twelve months ended 31st December, 2012

	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Restated)
Profit for the period	**298,257**	322,047
Other comprehensive income/(loss)		
Available-for-sale financial assets:		
Changes in fair value	**40,169**	(80,857)
Reclassification adjustment relating to disposal of a subsidiary	**(78,020)**	—
	(37,851)	(80,857)
Share of other comprehensive loss of associates	**(4,369)**	(5,841)
Exchange differences on translation of foreign operations	**51,290**	105,321
Reclassification adjustment relating to derecognition of a foreign associate	**61,363**	—
Other comprehensive income for the period, net of tax	**70,433**	18,623
Total comprehensive income for the period	**368,690**	340,670
Attributable to:		
Equity holders of the Company	**345,430**	338,670
Non-controlling interests	**23,260**	2,000
	368,690	340,670

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December, 2012

	Note	**2012** *HK$'000* **(Unaudited)**	2011 *HK$'000* (Restated)
Non-current assets			
Fixed assets		**111,938**	114,364
Investment properties		**4,622,326**	4,599,721
Interests in associates		**869,170**	763,032
Interests in jointly controlled entities		**4,244**	8,783
Available-for-sale financial assets		**206,970**	360,412
Other financial asset		**10,576**	—
		5,825,224	5,846,312
Current assets			
Properties held for sale		**13,218**	68,557
Properties under development		**—**	—
Deposits paid for properties under development		**306,666**	192,624
Loans and advances		**—**	5,100
Debtors, prepayments and deposits	*8*	**56,352**	42,178
Financial assets at fair value through profit or loss		**209,742**	106,417
Other financial asset		**9,521**	18,625
Restricted cash		**31,998**	—
Cash and bank balances		**1,292,881**	558,233
		1,920,378	991,734
Current liabilities			
Bank loans		**80,633**	126,340
Other payables, accruals and deposits received		**233,643**	220,217
Tax payable		**45,313**	52,147
		359,589	398,704
Net current assets		**1,560,789**	593,030
Total assets less current liabilities		**7,386,013**	6,439,342

	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Restated)
Non-current liabilities		
Bank loans	**1,917,145**	1,269,956
Other financial liabilities	**26,582**	—
Deferred tax liabilities	**643,999**	527,968
	2,587,726	1,797,924
Net assets	**4,798,287**	4,641,418
Equity		
Equity attributable to equity holders of the Company		
Issued capital	**918,691**	919,125
Reserves	**3,814,298**	3,680,290
	4,732,989	4,599,415
Non-controlling interests	**65,298**	42,003
	4,798,287	4,641,418

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.

Pursuant to a resolution of the Board of Directors dated 28th December, 2012, the Company's financial year end date has been changed from 31st December to 31st March. Accordingly, the current financial period will cover a fifteen-month period from 1st January, 2012 to 31st March, 2013. These interim results now presented cover a twelve-month period from 1st January, 2012 to 31st December, 2012, and the comparative figures in these interim results cover a twelve-month period from 1st January, 2011 to 31st December, 2011.

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, 2011, except as described below.

The Group has adopted 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, 2012, for the first time for the current period's interim results:

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*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes — Deferred Tax: Recovery of Underlying Assets*

Other than as further explained below regarding the impact of HKAS 12 Amendments, the adoption of the above new and revised HKFRSs has had no material impact on the accounting policies of the Group and the methods of computation in the Group's interim results.

HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value. The amendments introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes — Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis.

In prior years, deferred tax was provided on the basis that the carrying amounts of investment properties will be recovered through use. Upon adoption of HKAS 12 Amendments, deferred tax is provided on the basis that the carrying amounts of the investment properties will be recovered through sale except that the basis of recovery through use will continue to apply to those investment properties which are depreciable and are held with an objective to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. This change in accounting policy has been applied retrospectively and the effects are summarised below:

	2012	2011
	HK$'000	*HK$'000*
Decrease/(Increase) in income tax expense	**(63,248)**	28,278
Increase/(Decrease) in basic earnings per share *(HK cents)*	**(0.69)**	0.31
Increase/(Decrease) in diluted earnings per share *(HK cents)*	**(0.69)**	0.31
Decrease in deferred tax liabilities	**184,184**	247,432
Increase in retained profits	**184,184**	247,432

In addition, the Group has changed voluntarily its accounting policy regarding the current/non-current assets classification for properties under development intended for sale. In prior years, the Group classified the properties under development intended for sale as properties under development in non-current assets in the statement of financial position which would be transferred to properties under development in current assets when the construction was expected to be completed within one year from the end of the reporting period. Under the revised accounting policy, properties under development intended for sale are classified as current assets. In the opinion of the directors, the financial statements according to the revised policy will provide more relevant information to the users of the financial statements and bring the Group in line with the treatment adopted by other entities in the real estate industry. This change in policy has been applied retrospectively and comparative amounts have been restated.

The above change has had no effect on the condensed consolidated income statement. The effect on the condensed consolidated statement of financial position is summarised as follows:

	2012	2011
	HK$'000	*HK$'000*
Non-current Assets		
Decrease in deposits paid for properties under development	**306,666**	192,624
Current Assets		
Increase in deposits paid for properties under development	**306,666**	192,624

There was no impact on the net assets of the Group.

2. REVENUE

Revenue, which is also the Group's turnover, represents the aggregate of gross rental income, gross proceeds from sales of properties, 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, 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:

	2012	2011
	HK$'000	*HK$'000*
Property investment	**225,006**	221,521
Property development	**77,515**	—
Treasury investment	**3,264**	3,096
Securities investment	**893**	2,392
Other	**19,377**	17,363
	326,055	244,372

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; and

(e) the "other" segment comprises principally mineral exploration, extraction and processing, food business, money lending and the provision of property management services.

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.

2012

	Property investment *HK$'000*	**Property development** *HK$'000*	**Treasury investment** *HK$'000*	**Securities investment** *HK$'000*	**Other** *HK$'000*	**Consolidated** *HK$'000*
Revenue	**225,006**	**77,515**	**3,264**	**893**	**19,377**	**326,055**
Segment results	**708,119** *(Note)*	**11,129**	**3,264**	**5,783**	**(31,398)**	**696,897**
Unallocated corporate expenses						**(209,706)**
Finance costs						**(65,430)**
Share of results of associates	—	—	—	—	**9,166**	**9,166**
Share of results of jointly controlled entities	—	**(509)**	—	—	**(28)**	**(537)**
Profit before tax						**430,390**

2011

	Property investment *HK$'000*	Property development *HK$'000*	Treasury investment *HK$'000*	Securities investment *HK$'000*	Other *HK$'000*	Consolidated *HK$'000*
Revenue	221,521	—	3,096	2,392	17,363	244,372
Segment results	554,124 *(Note)*	(34,147)	2,585	(4,597)	(10,554)	507,411
Unallocated corporate expenses						(108,340)
Finance costs						(49,651)
Share of results of associates	(3)	—	—	—	25,044	25,041
Share of results of jointly controlled entities	—	1,606	—	—	(9)	1,597
Profit before tax						376,058

Note: The amount included fair value gains on investment properties of HK$519,827,000 (2011 — HK$384,316,000).

4. PROFIT BEFORE TAX

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

	2012 *HK$'000*	2011 *HK$'000*
Interest income:		
Loans and advances	**354**	178
Other	**3,264**	3,096
Dividend income:		
Listed investments	**893**	2,034
Unlisted investments	**—**	358
Gain on disposal of unlisted available-for-sale financial assets	**1,300**	—
Net fair value gain/(loss) on:		
Listed financial assets at fair value through profit or loss	**(33,331)**	1,606
Unlisted financial assets at fair value through profit or loss	**773**	(4,022)
Unlisted derivative financial instruments	**(25,399)**	(4,573)
Provision for impairment losses on unlisted available-for-sale financial assets	**(23,639)**	—
Provision for impairment losses on properties under development	**—**	(27,071)
Gain/(Loss) on disposal of fixed assets:		
Leasehold land and buildings	**—**	1,394
Other items of fixed assets	**(82)**	(201)
Gain on disposal of properties held for sale	**19,571**	—
Depreciation	**(4,396)**	(4,036)

5. INCOME TAX

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Hong Kong:		
Charge for the period	**4,293**	3,856
Overprovision in prior periods	**—**	(5,056)
Deferred	**1,835**	363
	6,128	(837)
Overseas:		
Charge for the period	**12,132**	14,879
Underprovision in prior periods	**146**	—
Deferred	**113,727**	39,969
	126,005	54,848
Total charge for the period	**132,133**	54,011

Hong Kong profits tax has been provided at the rate of 16.5 per cent. (2011 — 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. 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 period attributable to equity holders of the Company; and (ii) the weighted average number of 9,189,090,000 ordinary shares (2011 — 9,191,253,000 ordinary shares) in issue during the period.

(b) Diluted earnings per share

Diluted earnings per share is calculated based on (i) the consolidated profit for the period attributable to equity holders of the Company; and (ii) the weighted average number of 9,189,613,000 ordinary shares (2011 — 9,192,983,000 ordinary shares), calculated as follows:

	Number of shares	
	2012	2011
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**9,189,090,000**	9,191,253,000
Effect of dilution — weighted average number of ordinary shares:		
Share options	**523,000**	1,730,000
	9,189,613,000	9,192,983,000

7. DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
First interim dividend, declared, of HK0.3 cent (2011 — HK0.2 cent) per ordinary share	**27,554**	18,383
Second interim dividend, declared — Nil (2011 — N/A)	**—**	—
2011 final dividend, proposed, of HK0.5 cent per ordinary share	**—**	45,956
2011 special final dividend, proposed, of HK1.5 cent per ordinary share	**—**	137,869
	27,554	202,208

8. DEBTORS, PREPAYMENTS AND DEPOSITS

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

	2012	2011
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days	**3,007**	2,306
Between 31 and 60 days	**20**	513
Between 61 and 90 days	**12**	14
Between 91 and 180 days	**291**	—
	3,330	2,833

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 global financial conditions have been improved modestly from the second half of 2012 after stabilisation actions implemented in Europe and United States. However, under the headwinds of unresolved European financial crisis, the threat of U.S. fiscal cliff near the end of 2012, the global economy is still subdued and the growth rate in China is slowing down.

For the twelve months ended 31st December, 2012, the Group recorded a profit attributable to shareholders of HK$291 million (2011 — HK$317 million, restated), benefited from the fair value gains of the Group's investment properties.

Results for the period

Turnover for the twelve months ended 31st December, 2012 totalled HK$326 million (2011 — HK$244 million). Property investment and property development were the principal sources of revenue of the Group, representing 93 per cent. (2011 — 91 per cent.) of the turnover.

Property investment

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. Rental income registered an increase of approximately 3 per cent. from both properties. Given the quality and strategic location of the investment properties, the Group recorded revaluation gains on its investment properties of a total of HK$520 million (2011 — HK$384 million) during the period.

In 2012, the Group completed the disposal of a number of residential units in Hong Kong at an aggregate consideration of approximately HK$568 million and recognised a gain of HK$65 million. The disposal of another residential unit in Hong Kong with a consideration of HK$54 million was completed in February 2013. The disposals represented a good opportunity for the Group to realise the profits.

Property development

The Group primarily focuses on property development projects in mainland China and participated in development projects in Huai An City ("Huai An Project") and Taizhou City ("Taizhou Project"), both in Jiangsu Province. Huai An Project will be developed into an integrated residential, commercial and retail complex, whereas Taizhou Project is a residential project comprising townhouses and residential apartments. Both projects are currently under planning and design stage.

During the period, the Group sold a property in Singapore at HK$78 million and recognised a gain of HK$20 million.

Treasury and securities investments

The investment markets are challenging and full of uncertainties. During the period, the Group invested HK$78 million in Lippo Select HK & Mainland Property ETF fund (stock code: 2824) and further invested approximately HK$58 million in Haranga Resources Limited, a listed company in Australia engaged in the acquisition, exploration and development of iron ore projects in Mongolia. At the same time, the Group cautiously managed its investment portfolio and looked for opportunities to realise its profit. In 2012, the Group recognised a gain of HK$70 million (2011 — Nil), mainly from the disposal of a subsidiary holding certain financial assets available for sale. The performance of the securities investments was diverse in the highly volatile investment markets and an unrealised net fair value loss was recorded. As a result, profit attributable to treasury and securities investments business recorded for 2012 amounted to HK$9 million (2011 — net loss of HK$2 million), with a revenue of HK$4 million (2011 — HK$5 million).

Other businesses

The growth and recovery of the Group's various investments was hindered by the external uncertainties of the developed economies and provision was made. As a result, the other business segment recorded a loss of HK$31 million (2011 — HK$11 million).

The Group invests in food manufacturing, wholesale and distribution, food retail and food court operation in Singapore, China and other Asian regions through its interests in Auric Pacific Group Limited ("Auric"), which in turn has a controlling stake in Food Junction Holdings Limited, both being listed companies in Singapore. Anticipating the operating conditions to remain challenging in the markets Auric operate in, Auric will remain focus on its core business and cautiously expand its business operations.

The Group also owns 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 (the "Beiya Project") in Yunnan Province. Based on the strategic evaluation of the Beiya Project, further works are required to obtain sufficient detailed information in order to make a decision on methodology and clarify the project viability.

In 2012, the Group invested HK$75 million in Skye Mineral Partners, LLC ("Skye") which is interested in a few copper ore deposits in State of Utah in the United States of America. Flotation mill started operation in September 2012 after the formal approval of mill operation was obtained.

The Group made an initial investment in Export and Industry Bank, Inc. ("EIB"), a commercial bank incorporated in the Philippines, in 1996, but over the years the investment in EIB was fully written down. During the period under review, Bangko Sentral ng Pilipinas issued a resolution placing EIB under receivership and Philippine Deposit Insurance Corporation took over EIB to implement this. As such, all the investments in EIB are derecognised and the loss on derecognition of HK$61 million represented the related cumulative foreign exchange translation loss reclassified from the equity to the income statement.

Financial position

As at 31st December, 2012, the Group's total assets increased to HK$7.7 billion (2011 — HK$6.8 billion). Property-related assets increased to HK$5.1 billion (2011 — HK$5.0 billion), representing 66 per cent. (2011 — 74 per cent.) of the total assets. The cash and cash equivalents of the Group increased to HK$1.3 billion (2011 — HK$0.6 billion). Total liabilities increased to HK$2.9 billion (2011 — HK$2.2 billion, restated). The Group's financial position remained healthy and the current ratio (measured as current assets to current liabilities) was 5.3 to 1 (2011 — 2.5 to 1, restated).

As at 31st December, 2012, bank loans of the Group increased to HK$2.0 billion (2011 — HK$1.4 billion). The increase was mainly attributable to the additional bank loans drawn from the refinancing completed during the period. All the bank loans were denominated in Hong Kong dollars and Renminbi and were secured by certain properties of the Group. Certain bank deposits were also pledged after the loan refinancing as mentioned above. The Group aims to limit interest rate exposure through management of choice of fixed or floating interest rates and uses interest rate swaps to modify the interest rate characteristics of its borrowings. As at 31st December, 2012, 38 per cent. of the Group's total borrowings were effectively paying fixed rate of interest and the remaining were effectively carried interest at floating rates. Approximately 4 per cent. (2011 — 9 per cent.) of the bank loans were repayable within one year. At the end of the period, the gearing ratio (measured as total borrowings to shareholders' funds) was 42.2 per cent. (2011 — 30.4 per cent., restated).

The net asset value of the Group remained strong and increased to HK$4.7 billion (2011 — HK$4.6 billion, restated). This was equivalent to HK52 cents per share (2011 — HK50 cents per share, restated).

During the period, the Company repurchased 6,640,000 issued shares at a total consideration of approximately HK$1.2 million. Besides, 2,300,000 shares were issued by the Company upon the exercise of the share option by an option holder in 2012 at a cash consideration of approximately HK$0.4 million.

The Group monitors the relative foreign exchange position of its assets and liabilities to minimise foreign currency risk. During the period, the Group has entered into forward contracts to manage exposures to fluctuations of foreign exchange rates. When appropriate, additional 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 (2011 — Nil). The Group had no material contingent liabilities outstanding (2011 — Nil).

During 2012, certain payments were made for the property development projects, and the Group's total capital commitment as at 31st December, 2012 decreased to HK$76 million (2011 — HK$230 million). The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

Staff and remuneration

The Group had approximately 210 employees as at 31st December, 2012 (2011 — 187 employees). Staff costs (including directors' emoluments) charged to the income statement during the period amounted to HK$110 million (2011 — HK$71 million). The Group ensures that its employees are offered competitive remuneration packages. Certain employees of the Group were granted options in prior years under share option scheme of the Company. All outstanding options which remained unexercised by the expiry date in December 2012 lapsed accordingly.

Outlook

Growth is expected to be in modest pace only in 2013. Forecasts show that China will sustain a growth in near term but the magnitude may not be as high as before. However, the Group remains cautiously optimistic about 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 respond to the fast changing market conditions, refine its existing businesses and prudently seek new investment opportunities with long-term growth potential.

BUSINESS REVIEW

Overview

During 2012, the global economy continued to be dominated by the Eurozone financial crisis which saw sovereign debt problems spreading to more European countries. Towards the end of 2012, the issue of U.S. fiscal cliff added uncertainty to the global economy. On the other hand, the major economies in the Asia region were able to maintain their economic growth which has contributed to a better economic environment in Asia, with mainland China continuing to be Asia's leading economic performer. In mainland China, the pace of economic growth had slowed down since the beginning of 2012 as a result of the weakening domestic and global markets, but recent figures show that the economic momentum in mainland China began to pick up in the last quarter of 2012.

Results

During the period under review, the Group recorded an unaudited consolidated profit attributable to shareholders of approximately HK$291 million, as compared with a profit of approximately HK$317 million (restated) for the corresponding period in 2011. The profit was mainly attributable to the fair value gains of the Group's investment properties.

Property investment and property development

The Group's investment properties continued to enjoy satisfactory occupancy and provided the Group with stable recurrent income. Rental income from Lippo Centre in Hong Kong and Lippo Plaza in Shanghai increased moderately. During the period under review, the Group completed the disposal of a number of residential units in Hong Kong for an aggregate consideration of approximately HK$568 million. Subsequent to the period under review, the Group also completed the disposal of a residential unit in Hong Kong for a consideration of HK$54 million. Such disposals reflect the Group's seizing good opportunities to realise its property portfolio at favourable market prices. The proceeds were applied towards the general working capital and development projects of the Group.

The Group has two major development projects on the pipeline in Jiangsu Province, mainland China. The project situated in Huai An City (the "Huai An Project") shall be developed into an integrated residential, commercial and retail complex with a total permissible gross floor area (above ground) of approximately 185,000 square metres on a site of approximately 41,000 square metres. The Huai An Project 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. Another project is located in China Medical City (中國醫藥城) ("CMC"), Taizhou City (the "Taizhou Project") with a site area of approximately 80,615 square metres and a total permissible gross floor area (above ground) of approximately 161,230 square metres. The Taizhou Project is a residential development comprising townhouses and residential apartments. CMC, with an area of approximately 25 square kilometers, is the only national level development zone focused on high-tech medical related industries in mainland China. The design concept submissions for the Huai An Project and the Taizhou Project are in process of being approved. The above two projects support the Group's strategic growth in property development business and allow the Group to expand its footprint in mainland China.

Mineral resource investment

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 Qinhe district in Beiya in Yunnan Province, mainland China (the "Beiya Project"). 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 Project was obtained in January 2012. In the second half of 2012, Asia Now retained an independent contractor (the "Contractor") to assist it with a strategic review of the Beiya Project. The Contractor referenced that, due to the geology of the deposit and ground conditions of the site, the expenditures required for the development might be higher and concluded that further detailed work would be required to clarify the project viability. Asia Now is listed on the TSX Venture Exchange of Canada, and is primarily engaged in the business of exploration of mineral deposits in mainland China.

In March 2012, the Group entered into a subscription agreement with Haranga Resources Limited ("Haranga") for the subscription of 15,000,000 new ordinary shares in Haranga at an aggregate subscription price of A$6 million. Following the above subscription and the subsequent acquisition of 3,000,000 shares from the market, the Group is interested in a total of 32,470,000 shares in, representing approximately 13.43 per cent. of, the existing 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 further increased its interest in Skye Mineral Partners, LLC ("Skye") in 2012. It entered into a membership unit purchase agreement in February 2012 (the "February 2012 Purchase Agreement") for the acquisition of a further 3,600 Class A units in Skye for a total consideration of US$8 million, of which the acquisition of 1,900 Class A units for a total consideration of approximately US$4.2 million was completed in February 2012. In order to provide additional funding for working capital of Skye, the Group entered into another membership unit purchase agreement in August 2012 (the "August 2012 Purchase Agreement") for the acquisition of 1,674 Class A units in Skye for a consideration of approximately US$3.7 million. Concurrently, an amendment to the February 2012 Purchase Agreement (the "Amendment Agreement") was also entered into by the Group to reduce its purchase under the February 2012 Purchase Agreement from the remaining 1,700 Class A units to 782 Class A units for a total consideration of US$1.7 million. Following the completion of the August 2012 Purchase Agreement and the Amendment Agreement in August 2012, the Group had an effective interest of 7,956 Class A units in Skye, representing approximately 16.7 per cent. of the then total issued and outstanding Class A units in Skye and approximately 15.8 per cent. of the then total issued and outstanding units in Skye. In January 2013, the Group subscribed for an additional 450 Class A units in Skye for a total consideration of US$1 million. To date, the Group has an effective interest of 8,406 Class A units in Skye, representing approximately 17.1 per cent. of the total issued and outstanding Class A units in Skye and approximately 16.3 per cent. of the total issued and outstanding units in Skye. Through CS Mining, LLC ("CS Mining"), its majority owned subsidiary, Skye owns and controls a number of copper ore deposits located in the Milford Mineral Belt in Beaver County, State of Utah in the U.S., and is engaged in the business of mining and processing primarily copper, with additional recoveries of silver, gold and iron ore. CS Mining obtained all its required operating permits for mining and flotation processing by September 2012 and started commercial operation shortly thereafter.

Other businesses

Auric Pacific Group Limited (together with its subsidiaries, the "APG Group"), a listed company in Singapore in which the Group is interested in approximately 49.3 per cent. of its issued share capital, recorded a consolidated profit attributable to shareholders of approximately S$14,613,000 for the year ended 31st December, 2012, as compared with a profit of S$8,566,000 for the year ended

31st December, 2011. Rising cost of raw materials and operating expenses will continue to be a challenge to the F&B industry. The APG Group will focus on its existing core businesses through building its competitive edges, offering wider range of products and expanding more sales channels.

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 loss attributable to shareholders of approximately S$6,917,000 for the year ended 31st December, 2012, as compared with a profit of S$828,000 for the year ended 31st December, 2011. Food Junction is a regional foodservice company which operates and manages food courts and restaurants in Singapore, Malaysia, Indonesia, Hong Kong and mainland China. While Food Junction expects the operating environment continue to be challenging, it remains committed to prudently grow its food court and F&B operations.

In September 2012, the Group acquired units in the Lippo Select HK & Mainland Property ETF (the "ETF"), an exchange traded fund listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for a total consideration of approximately HK$78 million. The ETF's investment objective is to provide investment results that closely correspond to the performance of the Lippo Select HK & Mainland Property Index, comprising of property related securities listed on the Main Board of the Stock Exchange, including property stocks and real estate investment trusts from Hong Kong and mainland China region. The performance of the ETF is satisfactory.

In February 2013, the Group entered into a conditional subscription agreement in relation to the subscription of 184,653,669 new shares (the "Subscription Shares") in GSH Corporation Limited ("GSH") for an aggregate subscription price of approximately S$17.5 million under a private placement. The Subscription Shares would represent approximately 3.7 per cent. of the enlarged issued and paid-up share capital of GSH upon the completion of the private placements, as announced by GSH in February 2013. GSH, the shares of which are listed on the Main Board of the Singapore Exchange Securities Trading Limited, is primarily engaged in the business of distribution of IT, photographic and timepiece products with distribution networks spanning many emerging markets in Asia, the Middle East and Central Asia. GSH is looking to diversify into the real estate business, which is in line with GSH's inorganic growth strategy to increase the breadth and depth of businesses in developing economies.

PROSPECTS

Prospects for Asia remain positive but the growth momentum could be hindered by the continuing economic uncertainty in the U.S. and Europe. Since mid 2012, most stock markets have rebounded and such rebound is expected to continue in 2013 in tandem with the expected global economic recovery and gradual stabilisation of the Eurozone debt crisis. However, the strength of economic recovery will be mild. Though the issue of U.S. fiscal cliff appears to have been resolved, its aftermath may still provoke uncertainty and turbulence in the U.S. economy. Hopefully, with the threat of inflation being brought under control, the continuing low interest rate environment and the expected global economic recovery should help to promote stronger investor confidence and create new business opportunities.

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.

SECOND INTERIM DIVIDEND

The Directors do not recommend the payment of a second interim dividend for the twelve months ended 31st December, 2012 (2011 — N/A). Together with the first interim dividend of HK0.3 cent per share (2011 — HK0.2 cent per share) paid on 18th October, 2012, total dividends for the twelve months ended 31st December, 2012 will be HK0.3 cent per share (Financial year 2011 — HK2.2 cents per share) amounting to approximately HK$27.6 million (Financial year 2011 — HK$202.2 million).

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

During the twelve months ended 31st December, 2012, the Company had repurchased a total of 6,640,000 shares of HK$0.10 each in the Company on The Stock Exchange of Hong Kong Limited, all of which were subsequently cancelled. Particulars of the aforesaid repurchases are as follows:

	Number of shares of HK$0.10 each repurchased	**Highest price paid per share**	**Lowest price paid per share**	**Total price paid**
		HK$	*HK$*	*HK$*
2012				
August	4,928,000	0.186	0.171	871,802
September	1,712,000	0.184	0.180	312,604
Total	6,640,000			1,184,406
			Expenses incurred for shares repurchased	19,967
				1,204,373

The above repurchases were effected by the Directors with a view to benefiting the shareholders as a whole in enhancing the net asset value per share of the Company.

Save as disclosed herein, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the period.

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 second interim financial statements of the Company for the twelve months ended 31st December, 2012.

CORPORATE GOVERNANCE

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, save as disclosed below, the Company has complied with the code provisions of the Code on Corporate Governance Practices for the period from 1st January, 2012 to 31st March, 2012 and the Corporate Governance Code (the "CG Code") for the period from 1st April, 2012 to 31st December, 2012 as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The CG Code is the new edition of the Code on Corporate Governance Practices and is applicable to financial reports covering a period after 1st April, 2012. Under the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should also attend general meetings. One of the non-executive Directors of the Company was unable to attend the annual general meeting of the Company held on 5th June, 2012 as he was stranded in overseas due to an unexpected yacht sunken incident.

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

Hong Kong, 27th February, 2013

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.