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 31 MARCH 2020

The Directors of Lippo China Resources Limited (the "Company") announce the consolidated final results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2020 together with the comparative figures for the corresponding period in 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 March 2020

	Note	**2020** *HK$'000*	2019 *HK$'000*
Revenue	*4*	**855,720**	2,484,874
Cost of sales		**(283,307)**	(1,403,454)
Gross profit		**572,413**	1,081,420
Other income	*5*	**22,635**	33,108
Administrative expenses		**(581,855)**	(748,356)
Other operating expenses	*7*	**(183,181)**	(393,968)
Gain on disposal of subsidiaries	*15*	**342,679**	873,928
Net fair value gain/(loss) on investment properties		**(94,747)**	35,030
Net fair value loss on financial instruments at fair value through profit or loss	*7*	**(166,861)**	(187,028)
Other losses — net	*6*	**(13,229)**	(42,916)
Finance costs		**(44,856)**	(49,042)
Share of results of associates	*8*	**(41,745)**	(9,180)
Share of results of joint ventures	*9*	**(239)**	(89,444)
Profit/(Loss) before tax	*7*	**(188,986)**	503,552
Income tax	*10*	**578**	(15,093)
Profit/(Loss) for the year		**(188,408)**	488,459
Attributable to:			
Equity holders of the Company		**(361,035)**	(78,233)
Non-controlling interests		**172,627**	566,692
		(188,408)	488,459
		HK cents	*HK cents*
Loss per share attributable to equity holders of the Company	*11*		
Basic and diluted		**(3.93)**	(0.85)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2020

	Note	**2020**	2019
		HK$'000	*HK$'000*
Profit/(Loss) for the year		**(188,408)**	488,459
Other comprehensive income/(loss)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(58,795)**	(59,944)
Exchange differences reclassified to profit or loss upon:			
Disposal of foreign subsidiaries	*15*	**11,351**	28,936
Liquidation of foreign operations	*6*	**(13,985)**	(9,501)
Derecognition of an associate		**1,511**	–
Share of other comprehensive loss of associates		**(39,924)**	(24,860)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax		**(99,842)**	(65,369)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity instruments at fair value through other comprehensive income		**(36,401)**	95,450
Gain on property revaluation		**–**	2,790
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods, net of tax		**(36,401)**	98,240
Other comprehensive income/(loss) for the year, net of tax		**(136,243)**	32,871
Total comprehensive income/(loss) for the year		**(324,651)**	521,330
Attributable to:			
Equity holders of the Company		**(486,296)**	(36,198)
Non-controlling interests		**161,645**	557,528
		(324,651)	521,330

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Note	2020 HK$'000	2019 HK$'000
Non-current assets			
Intangible assets		**21,034**	181,592
Exploration and evaluation assets		**882**	602
Fixed assets		**1,065,288**	991,040
Investment properties		**713,445**	880,353
Right-of-use assets		**133,715**	–
Interests in associates		**664,425**	737,958
Interests in joint ventures		**32,163**	4,673
Financial assets at fair value through other comprehensive income		**105,620**	356,495
Financial assets at fair value through profit or loss		**385,762**	389,419
Debtors, prepayments and other assets	*13*	**11,872**	38,634
Deferred tax assets		**2,807**	845
		3,137,013	3,581,611
Current assets			
Inventories		**10,389**	11,349
Debtors, prepayments and other assets	*13*	**263,253**	328,090
Financial assets at fair value through profit or loss		**442,186**	571,690
Other financial assets		–	365
Tax recoverable		**320**	2
Restricted cash		**51,854**	59,899
Time deposits with original maturity of more than three months		**66,176**	69,342
Cash and cash equivalents		**981,788**	2,260,905
		1,815,966	3,301,642
Current liabilities			
Bank and other borrowings		**691,967**	583,339
Lease liabilities		**45,680**	–
Creditors, accruals and other liabilities	*14*	**260,145**	421,106
Other financial liabilities		**21,606**	9,770
Tax payable		**125,584**	138,169
		1,144,982	1,152,384
Net current assets		**670,984**	2,149,258
Total assets less current liabilities		**3,807,997**	5,730,869

	Note	2020 HK$'000	2019 HK$'000
Non-current liabilities			
Bank and other borrowings		**152,726**	684,444
Lease liabilities		**94,560**	–
Creditors, accruals and other liabilities	*14*	**6,453**	24,412
Other financial liability		**1,303**	220
Deferred tax liabilities		**28,645**	50,814
		283,687	759,890
Net assets		**3,524,310**	4,970,979
Equity			
Equity attributable to equity holders of the Company			
Share capital		**1,705,907**	1,705,907
Reserves		**1,458,594**	2,202,393
		3,164,501	3,908,300
Non-controlling interests		**359,809**	1,062,679
		3,524,310	4,970,979

Note:

1. BASIS OF PREPARATION

This financial information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. The financial information also includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of the financial information are consistent with those used in the Group's audited financial statements for the year ended 31 March 2019, except for the adoption of the new and revised HKFRSs as disclosed in Note 2 to the final results.

The unaudited financial information relating to the year ended 31 March 2020 and the financial information relating to the year ended 31 March 2019 included in this preliminary announcement of annual results for the year ended 31 March 2020 does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31 March 2019, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The financial statements for the year ended 31 March 2020 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course.

The Company has delivered the financial statements for the year ended 31 March 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on the financial statements of the Group for the year ended 31 March 2019. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's final results:

Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*
HKFRS 16	*Leases*
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Other than as explained below regarding the impact of HKFRS 16 and Amendments to HKAS 28, the application of the above new and revised standards has had no significant financial effect on the final results.

HKFRS 16

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. HKFRS 16 did not have any significant impact on leases where the Group is the lessor.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 April 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of equity at 1 April 2019, and the comparative information for the prior period was not restated and continued to be reported under HKAS 17 and related interpretations.

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of properties, equipment and motor vehicles. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., laptop computers and telephones); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases. Upon the adoption of HKFRS 16, the Group reclassified the assets under finance leases from fixed assets to right-of-use assets and related liabilities from obligations under finance leases included in bank and other borrowings to lease liabilities for presentation purposes. There was no impact on the opening balance of equity at 1 April 2019.

Leases previously classified as operating leases
Lease liabilities at 1 April 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019.

The right-of-use assets were either (i) measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 April 2019, or (ii) recognised based on the carrying amount as if the standard had always been applied, except for the incremental borrowing rate where the Group applied the incremental borrowing rate at 1 April 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 April 2019:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relying on the entity's assessment of whether leases were onerous by applying HKAS 37 immediately before the date of initial application as an alternative to performing an impairment review
- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Excluding initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease

The lease liabilities as at 1 April 2019 reconciled to the operating lease commitments as at 31 March 2019 are as follows:

	HK$'000
Operating lease commitments as at 31 March 2019	516,057
Weighted average incremental borrowing rate as at 1 April 2019	3.4%
Discounted operating lease commitments as at 1 April 2019	493,496
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 March 2020	(12,580)
Less: Non-lease components	(11,016)
Less: Commitments relating to leases with lease terms beginning on or after 1 April 2019	(18,182)
Add: Commitments relating to leases previously classified as finance leases	376
Add: Payments for optional extension periods not recognised as at 31 March 2019	178,779
Add: Others	226
Lease liabilities as at 1 April 2019	631,099

The Group's associates and joint ventures also adopted HKFRS 16 on 1 April 2019 using the modified retrospective method. The cumulative effect of initial adoption was adjusted to the carrying amounts of the interests in associates and joint ventures and the opening balance of equity at 1 April 2019.

Besides, certain prepayments and accruals related to previous operating leases of the Group were derecognised upon the initial application of HKFRS 16 at 1 April 2019.

The impact arising from the adoption of HKFRS 16 at 1 April 2019 was as follows:

	Increase/ (Decrease) *HK$'000*
Assets	
Decrease in fixed assets	(623)
Increase in right-of-use assets	608,823
Decrease in interests in associates	(1,118)
Decrease in debtors, prepayments and other assets	(75)
Increase in total assets	607,007
Liabilities	
Decrease in bank and other borrowings	(376)
Increase in lease liabilities	631,099
Decrease in creditors, accruals and other liabilities	(301)
Increase in total liabilities	630,422
Equity	
Decrease in retained profits	(9,465)
Decrease in non-controlling interests	(13,950)
	(23,415)

Amendments to HKAS 28

Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 April 2019 based on the facts and circumstances that exist on that day using the transitional requirements in the amendments. The adoption of the amendments on 1 April 2019 resulted in reclassification of HK$4,719,000 from share of net liabilities of associates to provision for impairment losses and HK$133,311,000 from share of net liabilities of joint ventures to provision for impairment losses. There is no impact on the balances of the interests in associates and interests in joint ventures, respectively. The Group applies the relief from restating comparative information for prior periods upon adoption of the amendments.

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 investments relating to the letting and resale of properties;

(b) the treasury investment segment includes investments in money markets;

(c) the securities investment segment includes investments in securities held-for-trading and for long-term strategic purposes;

(d) the food businesses segment mainly includes the distribution of consumer food and non-food products, food manufacturing and retailing, the management of restaurants and food court operations;

(e) the healthcare services segment includes the provision of healthcare management services; and

(f) the "other" segment comprises principally development and sale of properties, mineral exploration, extraction and processing, money lending, the provision of property, fund management and investment advisory services and investment in a closed-end fund.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss) and comprises segment results of the Company and its subsidiaries, the Group's share of results of associates and joint ventures.

Segment results are measured consistently with the Group's profit/(loss) before tax except that the Group's share of results of associates and joint ventures, unallocated corporate expenses and certain finance costs are excluded from such measurement.

Segment assets exclude interests in associates and joint ventures, deferred tax assets, tax recoverable and other head office and corporate assets which are managed on a group basis.

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

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

Year ended 31 March 2020

	Property investment *HK$'000*	Treasury investment *HK$'000*	Securities investment *HK$'000*	Food businesses *HK$'000*	Healthcare services *HK$'000*	Other *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
Revenue								
External	24,565	14,905	16,450	785,326	—	14,474	—	855,720
Inter-segment	4,596	—	—	—	—	1,702	(6,298)	—
Total	29,161	14,905	16,450	785,326	—	16,176	(6,298)	855,720
Segment results	(99,743)	14,905	(143,853)	278,433	(896)	(7,613)	652	41,885
Unallocated corporate expenses								(168,821)
Finance costs								(20,066)
Share of results of associates	—	—	—	—	(4,118)	(37,627)	—	(41,745)
Share of results of joint ventures	—	—	—	(230)	—	(9)	—	(239)
Loss before tax								(188,986)
Segment assets	1,382,825	302,834	1,531,537	851,332	—	149,529	(16,504)	4,201,553
Interests in associates	—	—	—	—	394,071	270,354	—	664,425
Interests in joint ventures	—	—	—	31,243	580	340	—	32,163
Unallocated assets								54,838
Total assets								4,952,979
Segment liabilities	223,417	—	12,102	478,582	398,902	427,419	(391,529)	1,148,893
Unallocated liabilities								279,776
Total liabilities								1,428,669
Other segment information:								
Capital expenditure *(Note)*	28	—	—	235,883	—	338	—	236,249
Depreciation	(21,756)	—	—	(167,585)	—	(328)	4,714	(184,955)
Interest income	—	14,905	—	5,563	—	938	—	21,406
Finance costs	—	—	—	(18,988)	—	(6,343)	541	(24,790)
Gain/(Loss) on disposal of:								
Subsidiaries	—	—	—	342,679	—	—	—	342,679
Fixed assets	—	—	—	(4,775)	—	—	—	(4,775)
An investment property	(1,254)	—	—	—	—	—	—	(1,254)
Loss on derecognition of associates	—	—	—	—	—	(1,519)	—	(1,519)
Write-back of provisions/(Provisions) for impairment losses on:								
Fixed assets	(20,192)	—	—	3,265	—	—	—	(16,927)
An associate	—	—	—	—	—	209	—	209
Joint ventures	—	—	—	—	(896)	(717)	—	(1,613)
Inventories	—	—	—	(667)	—	—	—	(667)
Loans and receivables	—	—	—	(1,539)	—	—	—	(1,539)
Fixed assets written off	—	—	—	(2,627)	—	—	—	(2,627)
Realised translation losses reclassified to the statement of profit or loss relating to liquidation of foreign operations	—	—	—	(10,434)	—	—	—	(10,434)
Net fair value loss on financial instruments at fair value through profit or loss	—	—	(155,020)	(11,841)	—	—	—	(166,861)
Net fair value loss on investment properties	(94,747)	—	—	—	—	—	—	(94,747)
Unallocated:								
Capital expenditure *(Note)*								1,299
Depreciation								(11,572)
Finance costs								(20,066)
Gain on disposal of fixed assets								133
Net realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations								24,419

Year ended 31 March 2019

	Property investment HK$'000	Treasury investment HK$'000	Securities investment HK$'000	Food businesses HK$'000	Healthcare services HK$'000	Other HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Revenue								
External	29,402	10,051	34,852	2,396,501	—	14,068	—	2,484,874
Inter-segment	5,355	—	—	—	—	—	(5,355)	—
Total	34,757	10,051	34,852	2,396,501	—	14,068	(5,355)	2,484,874
Segment results	55,141	10,051	(179,720)	975,118	—	(33,843)	—	826,747
Unallocated corporate expenses								(192,268)
Finance costs								(32,303)
Share of results of associates	—	—	—	—	(16,104)	6,924	—	(9,180)
Share of results of joint ventures	—	—	—	(18)	(1,101)	(88,325)	—	(89,444)
Profit before tax								503,552
Segment assets	1,592,285	524,978	1,550,767	2,319,940	—	102,601	(966)	6,089,605
Interests in associates	—	—	—	—	423,772	314,186	—	737,958
Interests in joint ventures	—	—	—	2,932	1,370	371	—	4,673
Unallocated assets								51,017
Total assets								6,883,253
Segment liabilities	316,809	—	10,145	489,561	419,342	431,471	(386,339)	1,280,989
Unallocated liabilities								631,285
Total liabilities								1,912,274
Other segment information:								
Capital expenditure *(Note)*	965	—	—	131,517	—	10,317	—	142,799
Depreciation	(22,974)	—	—	(37,147)	—	(260)	—	(60,381)
Interest income	—	10,051	8,690	2,864	—	824	—	22,429
Finance costs	—	—	(5,009)	(5,329)	—	(6,401)	—	(16,739)
Gain/(Loss) on disposal of:								
Subsidiaries	—	—	—	858,381	—	15,547	—	873,928
Fixed assets	—	—	—	(2,402)	—	—	—	(2,402)
Gain on derecognition of an associate	—	—	—	—	—	5	—	5
Write-back of provisions/(Provisions) for impairment losses on:								
Intangible assets	—	—	—	(10,681)	—	—	—	(10,681)
Fixed assets	—	—	—	3,262	—	—	—	3,262
An associate	—	—	—	—	—	(22,698)	—	(22,698)
A joint venture	—	—	—	—	—	(41)	—	(41)
Inventories	—	—	—	(8,158)	—	—	—	(8,158)
Loans and receivables	—	—	—	(2,535)	—	—	—	(2,535)
Fixed assets written off	—	—	—	(6,720)	—	—	—	(6,720)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	9,272	—	—	—	—	229	—	9,501
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	—	—	(192,542)	5,514	—	—	—	(187,028)
Fair value gain on investment properties	35,030	—	—	—	—	—	—	35,030
Unallocated:								
Capital expenditure *(Note)*								1,669
Depreciation								(8,531)
Finance costs								(32,303)

Note: Capital expenditure includes additions to fixed assets and exploration and evaluation assets.

Geographical information

(a) Revenue from external customers

	2020	2019
	HK$'000	*HK$'000*
Hong Kong	**254,714**	279,297
Mainland China	**10,918**	13,993
Republic of Singapore	**565,632**	1,512,233
Malaysia	**9,572**	665,924
Other	**14,884**	13,427
	855,720	2,484,874

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

(b) Non-current assets

	2020	2019
	HK$'000	*HK$'000*
Hong Kong	**1,259,394**	1,316,872
Mainland China	**189,980**	202,060
Republic of Singapore	**780,251**	1,094,754
Malaysia	**319,596**	132,440
Other	**81,731**	51,493
	2,630,952	2,797,619

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Revenue of approximately HK$118,793,000 for the year ended 31 March 2020 (2019 — HK$416,916,000) was derived from sales by the food businesses segment to a single customer.

4. REVENUE

An analysis of revenue is as follows:

	2020 *HK$'000*	2019 *HK$'000*
Revenue from contracts with customers:		
Sale of goods and fast-moving consumer products	**307,446**	1,788,264
Sale of food and beverage	**371,342**	448,374
Provision of management services	**13,226**	13,776
Revenue from other sources:		
Fees charged to food court tenants *(Note)*		
Variable lease payments that do not depend on an index or a rate	**8,018**	N/A
Other lease payments, including fixed payments	**81,190**	N/A
	89,208	136,958
Property rental income from operating leases	**24,565**	29,402
Interest income	**20,590**	21,605
Dividend income	**16,450**	26,162
Other	**12,893**	20,333
	855,720	2,484,874

Note: During the year ended 31 March 2019, the revenue included contingent rents of HK$15,011,000.

N/A: Not applicable

Revenue from contracts with customers
Disaggregated revenue information
Year ended 31 March 2020

Segments	**Food businesses** *HK$'000*	**Other** *HK$'000*	**Total** *HK$'000*
Types of goods or services:			
Sale of goods and fast-moving consumer products	**307,446**	**–**	**307,446**
Sale of food and beverage	**371,342**	**–**	**371,342**
Provision of management services	**–**	**13,226**	**13,226**
Total revenue from contracts with customers	**678,788**	**13,226**	**692,014**
Geographical markets:			
Hong Kong	**217,022**	**11,091**	**228,113**
Mainland China	**–**	**2,135**	**2,135**
Republic of Singapore	**459,058**	**–**	**459,058**
Malaysia	**2,708**	**–**	**2,708**
Total revenue from contracts with customers	**678,788**	**13,226**	**692,014**
Timing of revenue recognition:			
Goods transferred at a point in time	**678,788**	**–**	**678,788**
Services transferred over time	**–**	**13,226**	**13,226**
Total revenue from contracts with customers	**678,788**	**13,226**	**692,014**

Year ended 31 March 2019

Segments	Food businesses *HK$'000*	Other *HK$'000*	Total *HK$'000*
Types of goods or services:			
Sale of goods and fast-moving consumer products	1,788,264	–	1,788,264
Sale of food and beverage	448,374	–	448,374
Provision of management services	–	13,776	13,776
Total revenue from contracts with customers	2,236,638	13,776	2,250,414
Geographical markets:			
Hong Kong	240,447	11,220	251,667
Mainland China	–	2,556	2,556
Republic of Singapore	1,348,935	–	1,348,935
Malaysia	647,256	–	647,256
Total revenue from contracts with customers	2,236,638	13,776	2,250,414
Timing of revenue recognition:			
Goods transferred at a point in time	2,236,638	–	2,236,638
Services transferred over time	–	13,776	13,776
Total revenue from contracts with customers	2,236,638	13,776	2,250,414

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Segments	**Food businesses** ***HK$'000***	**Other** ***HK$'000***	**Total** ***HK$'000***
Year ended 31 March 2020			
Revenue from contracts with customers			
External customers	**678,788**	**13,226**	**692,014**
Inter-segment	**–**	**1,702**	**1,702**
Total revenue from contracts with customers	**678,788**	**14,928**	**693,716**
Revenue from other sources — external	**106,538**	**1,248**	**107,786**
Total segment revenue	**785,326**	**16,176**	**801,502**
Year ended 31 March 2019			
Revenue from contracts with external customers	2,236,638	13,776	2,250,414
Revenue from other sources — external	159,863	292	160,155
Total segment revenue	2,396,501	14,068	2,410,569

5. OTHER INCOME

	2020	2019
	HK$'000	*HK$'000*
Recovery of costs from food court tenants	**21,819**	32,284
Interest income from promissory note	**816**	824
	22,635	33,108

6. OTHER LOSSES — NET

	2020	2019
	HK$'000	*HK$'000*
Loss on disposal of:		
Fixed assets	**(4,642)**	(2,402)
An investment property	**(1,254)**	–
Gain/(Loss) on derecognition of associates	**(1,519)**	5
Write-back of provisions/(Provisions) for impairment losses on:		
Intangible assets	**–**	(10,681)
Fixed assets	**(16,927)**	3,262
Associates	**209**	(22,698)
Joint ventures	**(1,613)**	(41)
Inventories	**(667)**	(8,158)
Loans and receivables	**(1,539)**	(2,535)
Bad debt recovered	**4,618**	–
Fixed assets written off	**(2,627)**	(6,720)
Foreign exchange losses — net	**(1,253)**	(2,449)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	**13,985**	9,501
	(13,229)	(42,916)

7. PROFIT/(LOSS) BEFORE TAX

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

	2020	2019
	HK$'000	*HK$'000*
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Held for trading financial assets at fair value through profit or loss:		
Equity securities	**(150,072)**	(189,354)
Debt securities	**–**	(2,452)
Investment funds	**319**	(18,039)
Other financial assets mandatorily classified at fair value through profit or loss:		
Debt securities	**(1,916)**	4,239
Investment funds	**(5,201)**	34,728
Equity linked notes	**–**	15,585
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	**1,850**	(1,059)
Derivative financial instruments	**(11,841)**	(30,676)
	(166,861)	(187,028)
Interest income:		
Financial assets at fair value through profit or loss	**–**	8,690
Loans and advances	**8,998**	–
Promissory note	**816**	824
Other	**11,592**	12,915
Depreciation of fixed assets	**(64,525)**	(68,912)
Depreciation of right-of-use assets	**(132,002)**	–
Cost of inventories sold	**(281,325)**	(1,401,471)
Selling and distribution expenses#	**(17,789)**	(161,934)
Legal and professional fees#	**(30,166)**	(42,336)
Consultancy and service fees#	**(48,866)**	(49,186)
Utilities charges#	**(26,887)**	(42,296)
Repairs and maintenance expenses#	**(23,281)**	(31,579)

The amounts are included in "Other operating expenses" in the consolidated statement of profit or loss.

8. SHARE OF RESULTS OF ASSOCIATES

Share of results of associates for the year ended 31 March 2020 mainly included share of loss of TIH Limited ("TIH"). TIH is a closed-end fund listed in Singapore which focuses on investment in various sectors in Asia such as consumer and industrial products, healthcare, technology, media and telecommunications, food, manufacturing and chemicals. Due to the adverse effects of the COVID-19 pandemic, TIH recorded fair value loss on its investments. As a result, the Group shared a loss of HK$37,989,000 from TIH for the year ended 31 March 2020 (2019 — profit of HK$4,663,000).

9. SHARE OF RESULTS OF JOINT VENTURES

Share of results of joint ventures for the year ended 31 March 2019 mainly included share of loss of Collyer Quay Limited ("CQL") of HK$88,325,000. CQL is a joint venture consortium to invest in a company (the "JV Company") principally engaged in the exploration, extraction and processing of mineral resources. The Group shared a loss from the joint venture for the year ended 31 March 2019 as a result of the drop in copper price and the increased production cost. The JV Company put the mine into care and maintenance mode in order to minimise the costs incurred and CQL had fully impaired its investment in the JV Company as at 31 March 2019.

Reference was made to the Group's interest in a minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset, prior to the events described below, was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that owned a number of copper ore deposits in the Milford Mineral Belt in Beaver County, State of Utah in the U.S.A. and had engaged in the business of mining and processing copper and other minerals. Subsequently the Group invested in CQL, a joint venture of the Company, for an investment in the JV Company. The JV Company, in which the Group has an effective interest of 45%, acquired all or substantially all of the mining assets (the "Assets") held by CS Mining in a court-supervised sale process under its bankruptcy proceedings in August 2017. In January 2018, a verified complaint (the "Complaint") was filed in a United States state court in Delaware (the "Delaware State Court") by the majority investors in Skye individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group. The Complaint alleges, among other things, that the majority investors directly and derivatively through their ownership of Skye, suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Group on CS Mining. The Group filed a motion to dismiss the Complaint in 2019. The Delaware State Court recently issued its decision on the motion to dismiss, which was partially granted. With respect to the remaining parts of the Complaint that were not dismissed, the Delaware State Court did not rule on the merits of those claims and therefore, the Group, together with the other persons in or related to the Group, filed an answer and the majority investors in Skye (the "Majority Investors") will now have to provide evidence to establish the claims that were not dismissed. Subsequently, the Group, individually and derivatively on behalf of Skye, filed a counterclaim (the "Counterclaim") against the Majority Investors and their related persons (the "Counterparties"), in which the Group has claimed that the Counterparties had, at all relevant times, controlled over both Skye and CS Mining and had continuously preferred their own interests over those of Skye and its creditors and other owners. As a result, the Counterclaim alleges that the conduct of the Counterparties caused the other parties to the Complaint, including, inter alia, the Group, to suffer loss, and accordingly seeks damages against the Counterparties for such losses. The Group continues to believe the Complaint is wholly frivolous and without basis and the Group will continue to vigorously defend the claims made against it as well as to pursue the Counterclaim.

10. INCOME TAX

	2020	2019
	HK$'000	*HK$'000*
Hong Kong:		
Charge for the year	**2,032**	1,299
Underprovision in prior years	**438**	–
Deferred	**(871)**	(715)
	1,599	584
Overseas:		
Charge for the year	**14,157**	36,177
Overprovision in prior years	**(12,998)**	(20,349)
Deferred	**(3,336)**	(1,319)
	(2,177)	14,509
Total charge/(credit) for the year	**(578)**	15,093

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (2019 — 8.25% or 16.5%), as appropriate. For the companies operating in the Republic of Singapore and mainland China, corporate taxes have been calculated on the estimated assessable profits for the year at the rates of 17% and 25% (2019 — 17% and 25%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

11. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(a) Basic loss per share

Basic loss per share is calculated based on (i) the consolidated loss for the year attributable to equity holders of the Company; and (ii) the weighted average number of approximately 9,186,913,000 ordinary shares (2019 — approximately 9,186,913,000 ordinary shares) in issue during the year.

(b) Diluted loss per share

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2020 and 2019.

12. DIVIDENDS

	2020	2019
	HK$'000	*HK$'000*
Interim dividend, declared, of HK0.2 cent (2019 — HK0.2 cent) per ordinary share	**18,374**	18,374
Final dividend, proposed, of HK0.5 cent (2019 — HK0.5 cent) per ordinary share	**45,935**	45,935
Special final dividend, proposed, of HK0.3 cent (2019 — HK2 cents) per ordinary share	**27,561**	183,738
	91,870	248,047

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

13. DEBTORS, PREPAYMENTS AND OTHER ASSETS

Included in the balances are trade debtors with an ageing analysis, based on the invoice date and net of loss allowance, as follows:

	2020	2019
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days	**30,696**	27,405
Between 31 and 60 days	**20,456**	17,244
Between 61 and 90 days	**13,577**	13,382
Between 91 and 180 days	**3,363**	1,696
	68,092	59,727

14. CREDITORS, ACCRUALS AND OTHER LIABILITIES

Included in the balances are trade creditors with an ageing analysis, based on the invoice date, as follows:

	2020	2019
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days	**22,722**	47,206
Between 31 and 60 days	**6,307**	10,180
Between 61 and 90 days	**409**	625
Between 91 and 180 days	**1,286**	828
Over 180 days	**2,382**	313
	33,106	59,152

15. DISPOSAL OF SUBSIDIARIES

	2020	2019
	HK$'000	*HK$'000*
Net assets disposed of:		
Intangible assets	**158,091**	14,388
Fixed assets	**66,597**	19,070
Right-of-use assets	**504,075**	–
Deferred tax assets	**–**	7,754
Inventories	**969**	255,558
Debtors, prepayments and other assets	**65,520**	291,556
Tax recoverable	**1,835**	3,851
Restricted cash	**5,482**	–
Cash and cash equivalents	**44,715**	55,495
Bank and other borrowings	**–**	(56,471)
Lease liabilities	**(527,439)**	–
Creditors, accruals and other liabilities	**(103,767)**	(275,142)
Tax payable	**(2,422)**	(5,156)
Deferred tax liabilities	**(16,987)**	–
Non-controlling interests	**(1,117)**	–
	195,552	310,903
Release of cumulative exchange differences on translation of foreign operations	**11,351**	28,936
	206,903	339,839
Gain on disposal	**342,679**	873,928
	549,582	1,213,767
Satisfied by:		
Cash	**489,099**	1,213,767
Other receivables	**60,483**	–
	549,582	1,213,767

16. EVENT AFTER THE REPORTING PERIOD

The COVID-19 pandemic since early 2020 has impacted the global business and economic environment. The overall financial effect on the Group in the coming financial year cannot be reasonably estimated for the time being as the pandemic is still continuing. The Group will be watchful of the development and continue to evaluate its impacts on the business, financial position, cash flows and financial performance of the Group.

17. COMPARATIVE AMOUNTS

(a) As further explained in Note 2 to the final results, the Group adopted HKFRS 16 on 1 April 2019 using the modified retrospective approach. Under this approach, the comparative amounts in the final results were not restated and continued to be reported under the requirements of the previous standard, HKAS 17, and related interpretations.

(b) Certain comparative amounts have been reclassified to conform with the current year's presentation and disclosures.

BUSINESS REVIEW

Overview

The novel coronavirus (COVID-19) pandemic has a severe impact across the world. Various COVID-19 containment measures to slow down the spread of the virus such as travel restrictions, lockdowns, isolation and social distancing measures have been implemented in different parts of the world including the places at which the Group and its associates and joint ventures have operations. Such measures have slowed down the global economy markedly. Apart from the outbreak of the COVID-19 pandemic, the trade conflicts between the U.S.A. and the PRC and the recent plunge in global oil prices increased the volatility in the stock markets. The global stock markets experienced a notable correction. Against this backdrop, the performance of the Group during the year under review was affected.

Results for the Year

The Group recorded a consolidated loss attributable to shareholders of approximately HK$361 million for the year ended 31 March 2020 (the "Year"), as compared to a consolidated loss of approximately HK$78 million for the year ended 31 March 2019 ("2019"). Such loss was mainly attributable to fair value losses on investment properties and financial instruments at fair value through profit or loss and share of loss of associates due to the outbreak of COVID-19 pandemic in the later part of the Year. Performance of the Group's food businesses and property investment operations in Hong Kong had also been affected. However, the loss was largely offset by the gain on disposal of subsidiaries in the food businesses segment.

The Group successfully sold the food distribution business and food court business at a profit in March 2019 and October 2019 respectively prior to the outbreak of COVID-19. As a result, the revenue for the Year dropped to HK$856 million (2019 — HK$2,485 million) following the sale. Food businesses remain the principal sources of revenue of the Group, contributing to 92% (2019 — 96%) of total revenue for the Year.

The Group's other operating expenses mainly included selling and distribution expenses and utilities charges for food businesses, legal and professional fees, consultancy and service fees, and repairs and maintenance expenses. Other operating expenses decreased to HK$183 million for the Year (2019 — HK$394 million). The decrease in other operating expenses was mainly due to the completion of the disposal of food distribution business and food court business.

Food businesses

The Group's food businesses segment recorded a revenue of HK$785 million (2019 — HK$2,397 million), mainly from food manufacturing and food retail operations in chains of cafés and bistros and food courts. The substantial decrease in revenue was mainly due to the completion of the disposal of the food distribution business and food court business in March 2019 and October 2019 respectively.

During the Year, the food businesses segment recorded gain on disposal of subsidiaries of HK$343 million, which was mainly arising from the disposal of its entire issued shares in Food Junction Management Pte Ltd ("FJM", together with its subsidiaries, the "FJM Group") for a consideration of S$88 million. The FJM Group is engaged in the operation of food courts and retail sale of food and beverage in the food courts managed by it in Singapore and Malaysia. The above disposal was completed in October 2019 and such disposal gave rise to a non-recurring gain on disposal of approximately HK$287 million, of which the Group's attributable share amounted to approximately HK$116 million. As a result, the segment recorded a profit of HK$278 million for the Year (2019 — HK$975 million).

After the disposal of food distribution business and food court business, dividends in a total of S$300 million (the "Dividends") were distributed by a non-wholly owned subsidiary of the food businesses segment to all of its shareholders during the Year. The Group received a cash dividend of approximately S$151 million based on its shareholding in that subsidiary. Coupled with the impact of the disposal of the FJM Group, segment assets decreased to HK$851 million (31 March 2019 — HK$2,320 million). On the other hand, segment liabilities slightly decreased to HK$479 million (31 March 2019 — HK$490 million) resulted from the net impact of disposal of the FJM Group and lease liabilities recognised since 1 April 2019 from the initial application of new accounting standard for leases.

The Group will continue to focus on its food manufacturing business and food retail business. The performance of the Group's food retail businesses in Hong Kong and Singapore were adversely affected by the restrictions on gatherings starting from March and April 2020 respectively. It is expected that the impact will be diminished when the situation is improved and the restrictive measures are released. The construction of the food manufacturing factory in Malaysia had been completed and was in trial operation as at 31 March 2020. Due to the Movement Control Order in Malaysia during the outbreak of COVID-19, the food manufacturing factory is now only in limited commercial operation. The Group has been expanding its food retail business, including the opening of new outlets in Hong Kong under the trade name "Chatterbox Café", the first outlet of which was opened in early September 2019. The Group plans to continue expanding the second line of Chatterbox in Hong Kong and the first express outlet is expected to be opened in the last quarter of 2020. There is growing demand for high quality coffee shops in Singapore. In January 2020, the Group entered into a franchise agreement with PT Maxx Coffee Prima (the "Franchisor") pursuant to which the Franchisor would grant the Group the exclusive right and licence in Singapore to carry on the business of establishing, developing and operating the Maxx Coffee Shops and sell Maxx Coffee brand coffee, beverages and/or other food and non-food products on a retail basis in Singapore for an initial term of ten years, with an option for the Group to extend for another five years. The above franchise agreement allows the Group to set up a new coffee chain in Singapore under the brand name "Maxx Coffee" and uses the know-hows from the Franchisor to expand its food retail business. In addition, the Group plans to expand its "alfafa" outlets in Hong Kong. alfafa offers simple and healthy European-style meals.

Property investment

Segment revenue was mainly attributable to recurrent rental income from the Group's investment properties. The Group's property investment portfolio is located mainly in Hong Kong and mainland China. To cope with the downturn of business arising from the protest events in Hong Kong during the Year and the outbreak of COVID-19 pandemic, the Group, like other landlords in Hong Kong, offered rent concessions to its tenants to allow tenants to cope with such worsening economic conditions. Accordingly, the rental income for the Year decreased. The total segment revenue for the Year amounted to HK$29 million (2019 — HK$35 million). The Group recorded a net fair value loss on investment properties of HK$95 million (2019 — a gain of HK$35 million), which was mainly due to the downturn in the property market in Hong Kong. Besides, a provision of HK$20 million for impairment of certain properties located in Hong Kong was recorded during the Year. As a result, the segment reported a loss of HK$100 million (2019 — profit of HK$55 million).

Treasury and securities investments

The Group managed its investment portfolio in accordance with its investment committee's terms of reference and looked for opportunities to enhance yields and seek gains. The Group invested in a diversified portfolio including listed and unlisted equity securities, debt securities, investment funds and other structured products. Treasury and securities investments businesses recorded a total revenue of HK$31 million during the Year (2019 — HK$45 million), mainly attributable to the interest income and dividend income received from the investment portfolio. The stock markets were volatile during the Year, especially following the outbreak of COVID-19 and the Group recorded net fair value loss in the statement of profit or loss from its securities investments of HK$155 million for the Year (2019 — HK$193 million) under this segment. The net fair value loss for the Year mainly comprised of fair value loss of equity securities of HK$150 million (2019 — HK$189 million), debt securities of HK$2 million (2019 — gain of HK$2 million), investment funds of HK$5 million (2019 — gain of HK$17 million). As a result, the treasury and securities investments businesses recorded a net loss of HK$129 million in the statement of profit or loss for the Year (2019 — HK$170 million).

In December 2019, the Group had disposed of all its shares in Tencent Holdings Limited through a series of trades conducted in the open market for an aggregate sale proceeds of approximately HK$301 million, before expenses. The Group recognised fair value losses of approximately HK$3.4 million and HK$2.7 million in the statement of profit or loss and the other comprehensive income, respectively. Such disposals allowed the Group to liquidate its securities investment and the sale proceeds will be re-allocated for any other potential investments and general working capital.

As at 31 March 2020, the treasury and securities investments portfolio of HK$1,834 million (31 March 2019 — HK$2,076 million) comprised mainly cash and bank balances of HK$899 million (31 March 2019 — HK$755 million), financial assets at fair value through profit or loss ("FVPL") of HK$828 million (31 March 2019 — HK$961 million) and financial assets at fair value through other comprehensive income ("FVOCI") of HK$106 million (31 March 2019 — HK$356 million). Further details of securities investments under different categories are as follows:

Financial assets at fair value through profit or loss

As of 31 March 2020, the Group's financial assets at FVPL amounted to HK$828 million (31 March 2019 — HK$961 million), comprising equity securities of HK$423 million (31 March 2019 — HK$569 million), debt securities of HK$19 million (31 March 2019 — HK$20 million) and investment funds of HK$386 million (31 March 2019 — HK$372 million).

Details of the major financial assets at FVPL were as follows:

	As at 31 March 2020			As at 31 March 2019	For the year ended 31 March 2020
	Fair value *HK$'000*	Approximate percentage of financial assets at FVPL	Approximate percentage to the total assets	Fair value *HK$'000*	Net fair value gain/(loss) *HK$'000*
GSH Corporation Limited ("GSH")	93,250	11%	2%	132,830	(39,580)
Ilya Fund ("Ilya")	46,561	6%	1%	—	1,846
Quantedge Global Fund ("Quantedge")	45,373	5%	1%	65,030	331
SherpaEverest Fund, LP ("SherpaEverest")	33,793	4%	1%	33,869	(1,320)
Others *(Note)*	608,971	74%	12%	729,380	(118,147)
Total	827,948	100%	17%	961,109	(156,870)

Note: Others comprised of various securities, none of which accounted for more than 4% of financial assets at FVPL as at 31 March 2020.

GSH

As at 31 March 2020, the fair value of the Group's equity securities in GSH amounted to HK$93 million, representing approximately 11% and 2% of the Group's total financial assets at FVPL and total assets, respectively. GSH, having its shares listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), is a property developer in Southeast Asia with certain properties under development in Kuala Lumpur and Kota Kinabalu, Malaysia. In 2019, GSH continued to recognise income from the pre-sale of its two residential projects in Malaysia. GSH is planning to launch the residential project in a prime land parcel in the heart of Kuala Lumpur's Chinatown later this year, in which it has a 50% stake. However, the launch date has been postponed due to COVID-19 pandemic. GSH has been awarded a government tender of a prime land in the heart of Bishan district in Chongqing, in which it has a 51% stake. The site will be developed into a residential condominium and a five-star hotel. GSH also owns and operates 2 hotels in Sabah but a temporary closure was implemented from mid-March 2020 in compliance with the Movement Control Order in Malaysia. The share price performance of GSH was not satisfactory, resulting in an unrealised fair value loss of HK$40 million recognised for the Year. It is expected that the COVID-19 pandemic may continue to cast a negative impact on the GSH's hospitality business and the share price performance of GSH may continue to fluctuate.

Ilya

The Group invested approximately HK$45 million in Ilya in early 2020. As at 31 March 2020, the fair value of the Group's investment in Ilya amounted to HK$47 million, representing approximately 6% and 1% of the Group's total financial assets at FVPL and total assets, respectively. Fair value gain of HK$2 million was reported from such investment for the Year. Ilya is licensed and regulated by the Cayman Islands Monetary Authority as a mutual fund. The investment objective of Ilya is to provide its investors with long-term capital appreciation through direct and indirect investments globally, in both developed and emerging markets. Ilya may invest in multiple asset classes and may employ hybrid strategies including investing in both public and private companies.

Quantedge

The investment objective of Quantedge, an unlisted investment fund, is to achieve absolute long-term capital growth by investing in multiple asset classes across the globe, accordingly the investment results may vary substantially over short periods of time. The Group invested in Quantedge for long-term strategic purpose since early 2018 as its goal is in line with the Group's investment strategy. In October 2019, the Group has partially redeemed HK$19 million in Quantedge. The Group will continue to hold its remaining investment in Quantedge for long-term strategic purpose. Quantedge has recovered relatively quickly from the past drawdowns, mainly contributed by asset classes in global bonds, offset by the losses largely arising from the sharp drawdown across global equities and commodities during the outbreak of COVID-19. As at 31 March 2020, the fair value of the Group's investment in Quantedge amounted to HK$45 million, representing approximately 5% and 1% of the Group's total financial assets at FVPL and total assets, respectively. The Group reported a fair value gain of HK$0.3 million for the Year.

SherpaEverest

The Group committed to invest US$5 million (the "Committed Amount") in SherpaEverest in 2015. SherpaEverest is a closed-end fund with 10-year term, which may be extended for additional one-year period. As of 31 March 2020, the Group has contributed the full Committed Amount into the fund. The purpose of this investment is to have a long-term capital gain through investment in technology companies indirectly via a fund. The investment decision was made based on a number of factors including, inter alia, the fund team's experience, track records, and their ability to access into a wide range of technology companies in the U.S.A. The fund's investment focus is mid-to-late stage emerging technology-enabled private companies primarily based in the U.S.A. As of 31 March 2020, SherpaEverest has made investment across 14 portfolio companies in the commerce, transportation and logistics, health, digital enterprise software, and digital media and gaming sectors. The performance of SherpaEverest are satisfactory. Cumulated distribution to the Group amounted to HK$8 million, of which HK$4 million was received during the Year. As at 31 March 2020, the fair value of the Group's investment in SherpaEverest amounted to HK$34 million, representing approximately 4% and 1% of the Group's total financial assets at FVPL and total assets, respectively. The Group reported a fair value loss of HK$1 million for the Year.

Financial assets at fair value through other comprehensive income

In addition to the above investments under financial assets at FVPL, the Group also invests in listed and unlisted equity securities which are held for long term strategic purposes. Such investments were recorded under financial assets at FVOCI. As at 31 March 2020, the fair value of such investments amounted to approximately HK$106 million. During the Year, unrealised fair value loss of HK$36 million was recognised in other comprehensive income from these investments. The major investments under this category are investments in eBroker Holding Limited ("eBroker"), which accounted for 81% of the Group's total financial assets at FVOCI as at 31 March 2020.

The Group invested approximately HK$7.6 million in eBroker during its three rounds of financing held in 2017 and 2018. The carrying amount of total investments in eBroker amounted to HK$86 million as at 31 March 2020, representing 81% and 1.7% of the Group's total financial assets at FVOCI and total assets, respectively. Established in September 2015 in Shanghai, the PRC, eBroker's core business is the facilitation of financial and insurance services between wealthy individuals in mainland China and financial institutions as well as insurance issuers in overseas via its online wealth management platform. It has a very strong growth in business, in terms of customers, products and services coverage, revenues and profits, since its establishment. Investment in eBroker gives the Group an opportunity to potentially achieve a medium to long-term capital gain from the Fintech industry. eBroker had already undergone several rounds of fund raising and the Group had recorded unrealised fair value gain in prior years by reference to the latest round financing in early 2019. No distribution was made by eBroker. The Group reported a fair value loss of HK$25 million arising from revaluation at year end.

Healthcare services

The Group's healthcare services business is mainly carried out through its investments in Healthway Medical Corporation Limited ("Healthway", together with its subsidiaries, the "HMC Group"), an associate of the Company. As at 31 March 2020, the Group was interested in approximately 40.91% of the issued shares in Healthway. Healthway is a company listed on the Catalist Board of the SGX-ST and a well-established private healthcare provider in Singapore. The HMC Group owns, operates and manages around 90 medical centres and clinics in Singapore.

In June 2019, the HMC Group completed the refurbishment of a total of 36 clinics, which first began in August 2018. With the completion of clinic refurbishments, its general practice clinics are now better equipped to handle higher patient loads, with greater efficiency and personalised care. The HMC Group launched its comprehensive health screening centre, Healthway Screening @ Downtown in June 2019 which leverages innovation and technology, in the heart of Singapore's central business district. The screening centre is representative of the HMC Group's focus on preventive healthcare, to better manage and stave off chronic conditions through early detection and prevention.

With its ongoing efforts to streamline processes and operations, the total operating costs of Healthway fell by 2% to S$116 million for the Year. Such decrease was largely due to the absence of provisions for onerous lease contracts and lower write-off of property, plant and equipment upon the closure of non-performing clinics. The Group's share of loss from the HMC Group amounted to HK$4 million for the Year (2019 — HK$16 million). Coupled with the impact of depreciation of Singapore dollar during the Year, the Group's interest in Healthway decreased to HK$394 million (31 March 2019 — HK$424 million).

With the increase in COVID-19 cases in the months of April and May 2020 in Singapore, there was a continued and greater need for private healthcare providers like Healthway to support the public healthcare system by continuing to tend to the various healthcare need of the community. As part of the Public Health Preparedness Clinic scheme, the general clinics of the HMC Group play a critical role in supporting Singapore's healthcare system and the primary healthcare needs in a time of crisis. Throughout the COVID-19 "circuit breaker" period in Singapore, the HMC Group had enhanced its services and introduced initiatives to better serve the need of its patients which includes the implementation of teleconsultations at some general clinics and specialist clinics, as well as doorstep deliveries of medication for patients with chronic illnesses.

Other businesses

TIH

The Group recorded a share of loss of HK$38 million from its investment in TIH Limited ("TIH"), an associate of the Company and listed on the Mainboard of the SGX-ST, for the Year (2019 — profit of HK$5 million), mainly attributable to the fair value loss on its investments at FVPL due to the adverse effects of the COVID-19 pandemic. Coupled with the effect of depreciation of Singapore dollar during the Year, the interests in TIH as at 31 March 2020 decreased to HK$237 million (31 March 2019 — HK$296 million).

Mineral exploration and extraction

Reference was made to the Group's interest in a minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset, prior to the events described below, was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that owned a number of copper ore deposits in the Milford Mineral Belt in Beaver County, State of Utah in the U.S.A. and had engaged in the business of mining and processing copper and other minerals. Subsequently, the Group invested in Collyer Quay Limited ("CQL"), a joint venture of the Company, for an investment in a joint venture consortium (the "JV Company"). The JV Company, in which the Group has an effective interest of 45%, acquired all or substantially all of the mining assets (the "Assets") held by CS Mining in a court-supervised sale process under its bankruptcy proceedings in August 2017. In January 2018, a verified complaint (the "Complaint") was filed in a United States state court in Delaware (the "Delaware State Court") by the majority investors in Skye individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group. The Complaint alleges, among other things, that the majority investors directly and derivatively through their ownership of Skye, suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Group on CS Mining. The Group filed a motion to dismiss the Complaint in 2019. The Delaware State Court recently issued its decision on the motion to dismiss, which was partially granted. With respect to the remaining parts of the Complaint that were not dismissed, the Delaware State Court did not rule on the merits of those claims and therefore, the Group, together with the other persons in or related to the Group, filed an answer and the majority investors in Skye (the "Majority Investors") will now have to provide evidence to establish the claims that were not dismissed. Subsequently, the Group, individually and derivatively on behalf of Skye, filed a counterclaim (the "Counterclaim") against the Majority Investors and their related persons (the "Counterparties"), in which the Group has claimed that the Counterparties had, at all relevant times, controlled over both Skye and CS Mining and had continuously preferred their own interests over those of Skye and its creditors and other owners. As a result, the Counterclaim alleges that the conduct of the Counterparties caused the other parties to the Complaint, including, inter alia, the Group, to suffer loss, and accordingly seeks damages against the

Counterparties for such losses. The Group continues to believe the Complaint is wholly frivolous and without basis and the Group will continue to vigorously defend the claims made against it as well as to pursue the Counterclaim.

The JV Company put the mine into care and maintenance mode in early 2019 in order to minimise the costs incurred. CQL fully impaired its investment in the JV Company as at 31 March 2019 and no further loss was shared from this investment for the Year. In 2019, the Group shared a loss of joint ventures of HK$88 million as a result of the drop in copper price and the increased production cost. Segment loss before accounting for the share of results of joint ventures for the Year amounted to HK$11 million (2019 — HK$17 million).

Financial Position

The Group's financial position remained healthy. As at 31 March 2020, its total assets decreased to HK$5.0 billion (31 March 2019 — HK$6.9 billion), mainly due to the decreased cash balances after repayment of bank loans, disposal of subsidiaries by the Group and the payment of dividends to non-controlling shareholders of a subsidiary in food businesses segment as well as decrease in fair value of the financial instruments during the Year, offset by the recognition of right-of-use assets upon the adoption of the new accounting standard for leases on 1 April 2019. As at 31 March 2020, total cash and bank balances (consisting of cash and cash equivalents, time deposits with original maturity of more than three months and restricted cash) decreased to HK$1,100 million (31 March 2019 — HK$2,390 million). Accordingly, current ratio as at 31 March 2020 decreased to 1.6 (31 March 2019 — 2.9).

Total liabilities decreased to HK$1.4 billion (31 March 2019 — HK$1.9 billion), mainly attributable to the repayment of bank and other borrowings and the disposal of subsidiaries by the Group during the Year, offset by the recognition of lease liabilities upon the adoption of the new accounting standard for leases on 1 April 2019.

As at 31 March 2020, bank and other borrowings of the Group decreased to HK$845 million (31 March 2019 — HK$1,268 million), which included bank loans of HK$576 million (31 March 2019 — HK$982 million) and unsecured notes of HK$269 million (31 March 2019 — HK$285 million). The balance as at 31 March 2019 also included obligations under finance leases of HK$0.4 million.

As at 31 March 2020, the bank loans comprised secured bank loans of HK$576 million (31 March 2019 — HK$758 million). The balance as at 31 March 2019 also included unsecured bank loans of HK$224 million. The bank loans were denominated in Hong Kong dollars, Singapore dollars and Malaysian Ringgit. The bank loans were secured by fixed and floating charges on certain properties and assets of certain subsidiaries of the Group. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure. As at 31 March 2020, 9% of the Group's bank loans effectively carried fixed rate of interest and the remaining were at floating rates. The unsecured notes were unsecured, denominated in Singapore dollars, and carried interest at a rate of 2.25% per annum. The Group purchased certain motor vehicles under hire purchase which were secured by the rights to the leased fixed assets. The related hire purchase commitment previously recorded under obligation under finance leases were reclassified to lease liabilities on 1 April 2019 upon the initial application of new accounting standard for leases. As at 31 March 2020, hire purchase commitment amounted to HK$0.2 million and was included in lease liabilities on the statement of financial position.

As at 31 March 2020, approximately 82% (31 March 2019 — 46%) of the bank and other borrowings were repayable within one year. As at 31 March 2020, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 23.1% (31 March 2019 — 29.0%). As at 31 March 2020, the Group has net cash (measured as total cash and bank balances, net of total bank and other borrowings) of HK$255 million (31 March 2019 — HK$1,122 million). Given the Group has a strong net cash position, the Group does not expect any liquidity pressures under the current COVID-19 pandemic.

The net asset value attributable to equity holders of the Company amounted to HK$3.2 billion as at 31 March 2020 (31 March 2019 — HK$3.9 billion), mainly attributable to the loss for the Year, dividends declared and paid during the Year and translation loss on foreign operations from the depreciation of Singapore dollar and Renminbi. This was equivalent to HK34 cents per share as at 31 March 2020 (31 March 2019 — HK43 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.

The Group had bankers' guarantees of approximately HK$20 million as at 31 March 2020 (31 March 2019 — HK$37 million) issued in lieu of rental and utility deposits for the premises used for operation of food businesses. Approximately 13% (31 March 2019 — 45%) of the bankers' guarantees were secured by certain bank deposits of the Group and corporate guarantees from the shareholders of a subsidiary. Aside from the abovementioned, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Year (31 March 2019 — Nil).

The Group's commitments are mainly related to the securities investments and the new food factory in Malaysia. Due to the progress payment of the purchase of equipment for the new factory, total commitment as at 31 March 2020 decreased to HK$104 million (31 March 2019 — HK$169 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 965 full-time employees as at 31 March 2020 (31 March 2019 — 1,051 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Year amounted to HK$379 million (2019 — HK$491 million). The Group ensures that its employees are offered competitive remuneration packages. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

PROSPECTS

Looking ahead, the global economy may continue to experience sharp contraction in the near term as the major economies are still facing the serious threat of COVID-19. Economic recovery remains highly uncertain as most countries are vulnerable to the developments of COVID-19. It is anticipated that the impact of COVID-19 and the economic contraction will continue to affect the economic and social activities in the places at which the Group and its associates and joint ventures have operations. The trade and political tensions between the U.S.A. and the PRC will continue to affect the volatility in the financial markets.

Moving forward, the Group will be watchful of the new developments. It will remain focused on strengthening and boosting the value of its existing operations and seek suitable business opportunities with a view to enhancing shareholders return and sustainable long term value.

DIVIDENDS

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting to be held on Tuesday, 8 September 2020 (the "2020 AGM") the payment of a final dividend of HK0.5 cent per share (2019 — HK0.5 cent per share) and a special final dividend of HK0.3 cent per share (2019 — HK2 cents per share) amounting to approximately HK$73.5 million for the year ended 31 March 2020 (2019 — approximately HK$229.7 million). Together with the interim dividend of HK0.2 cent per share (For the six months ended 30 September 2018 — HK0.2 cent per share) paid in January 2020, total dividends for the year ended 31 March 2020 will be HK1 cent per share (2019 — HK2.7 cents per share) amounting to approximately HK$91.9 million (2019 — approximately HK$248.0 million). Subject to the approval of shareholders at the 2020 AGM, the final dividend and special final dividend will be paid on or about Friday, 25 September 2020 to shareholders whose names appear on the Register of Members on Wednesday, 16 September 2020.

CLOSURE OF REGISTER OF MEMBERS

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

(i) from Thursday, 3 September 2020 to Tuesday, 8 September 2020 (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 2020 AGM. In order to be entitled to attend and vote at the 2020 AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrar, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 2 September 2020; and

(ii) from Monday, 14 September 2020 to Wednesday, 16 September 2020 (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 Registrar, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 11 September 2020.

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

During the year ended 31 March 2020, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

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 so as to safeguard the interests of shareholders and enhance shareholder value.

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31 March 2020.

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 consolidated financial statements of the Company for the year ended 31 March 2020.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2020 (the "Year") as set out in this preliminary announcement have been agreed by the Group's independent auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary announcement.

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

Hong Kong, 29 June 2020

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