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LIPPO CHINA RESOURCES LIMITED
力 寶 華 潤 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 156)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

The Directors of Lippo China Resources Limited (the "Company") announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2020 together with the comparative figures for the corresponding period in 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 September 2020

		Unaudited	
		Six months ended 30 September	
		2020	2019
	Note	***HK$'000***	*HK$'000*
Revenue	*4*	**325,190**	493,583
Cost of sales		**(145,003)**	(143,761)
Gross profit		**180,187**	349,822
Other income	*5*	**30,336**	19,194
Administrative expenses		**(185,362)**	(299,351)
Other operating expenses	*7*	**(68,937)**	(79,019)
Fair value losses on investment properties		**(48,791)**	(71,859)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	*7*	**47,778**	(2,878)
Other gains/(losses) — net	*6*	**(13,218)**	15,805
Finance costs		**(17,748)**	(28,481)
Share of results of associates		**25,774**	(1,486)
Share of results of joint ventures		**(394)**	(469)
Loss before tax	*7*	**(50,375)**	(98,722)
Income tax	*8*	**(4,995)**	(6,704)
Loss for the period		**(55,370)**	(105,426)
Attributable to:			
Equity holders of the Company		**(37,603)**	(109,075)
Non-controlling interests		**(17,767)**	3,649
		(55,370)	(105,426)
		HK cents	*HK cents*
Loss per share attributable to equity holders of the Company	*9*		
Basic and diluted		**(0.41)**	(1.19)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2020

	Unaudited Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Loss for the period	**(55,370)**	(105,426)
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	**24,664**	(30,732)
Exchange differences reclassified to profit or loss upon liquidation of foreign operations	**–**	(19,752)
Share of other comprehensive income/(loss) of associates	**26,451**	(14,500)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax	**51,115**	(64,984)
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	**163**	(20,790)
Other comprehensive income/(loss) for the period, net of tax	**51,278**	(85,774)
Total comprehensive loss for the period	**(4,092)**	(191,200)
Attributable to:		
Equity holders of the Company	**(2,490)**	(183,846)
Non-controlling interests	**(1,602)**	(7,354)
	(4,092)	(191,200)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Note	**30 September 2020** *HK$'000* **(Unaudited)**	31 March 2020 *HK$'000* (Audited)
Non-current assets			
Intangible assets		**21,909**	21,034
Exploration and evaluation assets		**1,152**	882
Fixed assets		**1,086,061**	1,065,288
Investment properties		**674,549**	713,445
Right-of-use assets		**125,597**	133,715
Interests in associates		**711,902**	664,425
Interests in joint ventures	*11*	**74,893**	32,163
Financial assets at fair value through other comprehensive income		**105,985**	105,620
Financial assets at fair value through profit or loss		**444,260**	385,762
Debtors, prepayments and other assets	*12*	**12,152**	11,872
Other financial asset		**1,732**	–
Deferred tax assets		**2,861**	2,807
		3,263,053	3,137,013
Current assets			
Inventories		**15,144**	10,389
Debtors, prepayments and other assets	*12*	**168,001**	263,253
Financial assets at fair value through profit or loss		**505,320**	442,186
Tax recoverable		**2**	320
Restricted cash		**54,069**	51,854
Time deposits with original maturity of more than three months		**69,379**	66,176
Cash and cash equivalents		**1,031,706**	981,788
		1,843,621	1,815,966
Current liabilities			
Bank and other borrowings		**417,502**	691,967
Lease liabilities		**40,960**	45,680
Creditors, accruals and other liabilities	*13*	**206,188**	260,145
Other financial liabilities		**16,762**	21,606
Tax payable		**129,153**	125,584
		810,565	1,144,982
Net current assets		**1,033,056**	670,984
Total assets less current liabilities		**4,296,109**	3,807,997

	Note	30 September 2020 HK$'000 (Unaudited)	31 March 2020 HK$'000 (Audited)
Non-current liabilities			
Bank and other borrowings		**719,863**	152,726
Lease liabilities		**91,790**	94,560
Creditors, accruals and other liabilities	*13*	**8,531**	6,453
Other financial liability		**1,538**	1,303
Deferred tax liabilities		**27,665**	28,645
		849,387	283,687
Net assets		**3,446,722**	3,524,310
Equity			
Equity attributable to equity holders of the Company			
Share capital		**1,705,907**	1,705,907
Reserves		**1,382,608**	1,458,594
		3,088,515	3,164,501
Non-controlling interests		**358,207**	359,809
		3,446,722	3,524,310

Note:

1. BASIS OF PREPARATION

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 and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim results do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2020. The interim results have been reviewed by the audit committee of the Company.

The accounting policies and basis of preparation adopted in the preparation of the interim results are consistent with those used in the Group's audited financial statements for the year ended 31 March 2020, except for the adoption of the revised Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations (hereinafter collectively referred to as the "revised HKFRSs") as disclosed in Note 2 to the interim results.

The financial information relating to the year ended 31 March 2020 that is included in the interim results as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but 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 Company has delivered the financial statements for the year ended 31 March 2020 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 those financial statements. 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 revised HKFRSs for the first time for the current period's interim results:

Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions* (early adopted)
Amendments to HKAS 1 and HKAS 8	*Definition of Material*

Other than as explained below regarding the impact of Amendment to HKFRS 16, the application of the above revised standards has had no significant financial effect on the interim results.

Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted.

During the six months ended 30 September 2020, certain monthly lease payments for the leases of the Group's leased properties have been reduced by the lessors as a result of the COVID-19 pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 April 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the COVID-19 pandemic during the six months ended 30 September 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of HK$5,119,000 has been accounted for as variable lease payments by derecognising part of the lease liabilities and crediting to profit or loss for the six months ended 30 September 2020.

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 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 and extraction, 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.

Six months ended 30 September 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	10,491	2,482	14,399	289,742	–	8,076	–	325,190
Inter-segment	1,305	–	–	–	–	1,959	(3,264)	–
Total	11,796	2,482	14,399	289,742	–	10,035	(3,264)	325,190
Segment results	(60,561)	2,482	52,309	(3,516)	(1,344)	(5,595)	(456)	(16,681)
Unallocated corporate expenses								(49,951)
Finance costs								(9,123)
Share of results of associates	–	–	–	–	(213)	25,987	–	25,774
Share of results of joint ventures	–	–	–	(390)	–	(4)	–	(394)
Loss before tax								(50,375)
Other segment information:								
Capital expenditure *(Note)*	–	–	–	46,385	–	286	–	46,671
Depreciation	(8,819)	–	–	(40,738)	–	(439)	1,432	(48,564)
Interest income	–	2,482	–	1,367	–	1,390	–	5,239
Finance costs	–	–	–	(6,099)	–	(3,099)	573	(8,625)
Loss on disposal of fixed assets	–	–	–	(28)	–	–	–	(28)
Provisions for impairment losses on:								
Fixed assets	(11,325)	–	–	–	–	–	–	(11,325)
Inventories	–	–	–	(1,725)	–	–	–	(1,725)
Loans and receivables	–	–	–	(334)	–	–	–	(334)
Net fair value gain on financial instruments at fair value through profit or loss	–	–	42,002	5,776	–	–	–	47,778
Fair value losses on investment properties	(48,791)	–	–	–	–	–	–	(48,791)
Unallocated:								
Capital expenditure *(Note)*								32
Depreciation								(5,592)
Finance costs								(9,123)
Loss on disposal of fixed assets								(487)

Six months ended 30 September 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	13,001	8,233	13,068	451,987	–	7,294	–	493,583
Inter-segment	2,625	–	–	–	–	–	(2,625)	–
Total	15,626	8,233	13,068	451,987	–	7,294	(2,625)	493,583
Segment results	(65,467)	8,233	9,667	(3,393)	–	(3,195)	75	(54,080)
Unallocated corporate expenses								(31,204)
Finance costs								(11,483)
Share of results of associates	–	–	–	–	(2,800)	1,314	–	(1,486)
Share of results of joint ventures	–	–	–	11	(475)	(5)	–	(469)
Loss before tax								(98,722)
Other segment information:								
Capital expenditure *(Note)*	28	–	–	69,552	–	197	–	69,777
Depreciation	(11,478)	–	–	(113,744)	–	(35)	2,407	(122,850)
Interest income	–	8,233	–	1,642	–	409	–	10,284
Finance costs	–	–	–	(14,092)	–	(3,199)	293	(16,998)
Loss on disposal of fixed assets	–	–	–	(46)	–	–	–	(46)
Provisions for impairment losses on:								
Inventories	–	–	–	(280)	–	–	–	(280)
Loans and receivables	–	–	–	(275)	–	–	–	(275)
Realised translation losses reclassified to the statement of profit or loss relating to liquidation of foreign operations	–	–	–	(4,692)	–	–	–	(4,692)
Net fair value loss on financial instruments at fair value through profit or loss	–	–	(1,390)	(1,488)	–	–	–	(2,878)
Fair value losses on investment properties	(71,859)	–	–	–	–	–	–	(71,859)
Unallocated:								
Capital expenditure *(Note)*								879
Depreciation								(5,798)
Finance costs								(11,483)
Gain on disposal of fixed assets								133
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of a foreign operation								24,444

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

	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
At 30 September 2020 (unaudited)								
Segment assets	**1,326,477**	**389,339**	**1,570,181**	**893,969**	**–**	**100,148**	**(12,707)**	**4,267,407**
Interests in associates	**–**	**–**	**–**	**–**	**410,133**	**301,769**	**–**	**711,902**
Interests in joint ventures	**–**	**–**	**41,495**	**31,628**	**580**	**1,190**	**–**	**74,893**
Unallocated assets								**52,472**
Total assets								**5,106,674**
Segment liabilities	**220,906**	**–**	**54,322**	**519,191**	**412,195**	**433,785**	**(827,912)**	**812,487**
Unallocated liabilities								**847,465**
Total liabilities								**1,659,952**
At 31 March 2020 (audited)								
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

4. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Revenue from contracts with customers:		
Sale of goods and fast-moving consumer products	**166,298**	151,180
Sale of food and beverage	**119,706**	212,832
Provision of management services	**6,178**	7,165
Revenue from other sources:		
Fees charged to food court tenants	**–**	76,938
Property rental income from operating leases	**10,491**	13,001
Interest income	**4,840**	9,875
Dividend income	**14,399**	13,068
Other	**3,278**	9,524
	325,190	493,583

Disaggregated revenue information for revenue from contracts with customers

Segments	Food businesses *HK$'000*	Other *HK$'000*	Total *HK$'000*
Six months ended 30 September 2020			
Types of goods or services:			
Sale of goods and fast-moving consumer products	**166,298**	**–**	**166,298**
Sale of food and beverage	**119,706**	**–**	**119,706**
Provision of management services	**–**	**6,178**	**6,178**
Total revenue from contracts with customers	**286,004**	**6,178**	**292,182**
Geographical markets:			
Hong Kong	**82,559**	**5,138**	**87,697**
Mainland China	**–**	**1,040**	**1,040**
Republic of Singapore	**203,445**	**–**	**203,445**
Total revenue from contracts with customers	**286,004**	**6,178**	**292,182**
Timing of revenue recognition:			
Goods transferred at a point in time	**286,004**	**–**	**286,004**
Services transferred over time	**–**	**6,178**	**6,178**
Total revenue from contracts with customers	**286,004**	**6,178**	**292,182**
Six months ended 30 September 2019			
Types of goods or services:			
Sale of goods and fast-moving consumer products	151,180	–	151,180
Sale of food and beverage	212,832	–	212,832
Provision of management services	–	7,165	7,165
Total revenue from contracts with customers	364,012	7,165	371,177
Geographical markets:			
Hong Kong	113,922	5,775	119,697
Mainland China	–	1,390	1,390
Republic of Singapore	247,765	–	247,765
Malaysia	2,325	–	2,325
Total revenue from contracts with customers	364,012	7,165	371,177
Timing of revenue recognition:			
Goods transferred at a point in time	364,012	–	364,012
Services transferred over time	–	7,165	7,165
Total revenue from contracts with customers	364,012	7,165	371,177

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*
Six months ended 30 September 2020			
Revenue from contracts with customers			
External customers	**286,004**	**6,178**	**292,182**
Inter-segment	**–**	**1,959**	**1,959**
Total revenue from contracts with customers	**286,004**	**8,137**	**294,141**
Revenue from other sources — external	**3,738**	**1,898**	**5,636**
Total segment revenue	**289,742**	**10,035**	**299,777**
Six months ended 30 September 2019			
Revenue from contracts with external customers	364,012	7,165	371,177
Revenue from other sources — external	87,975	129	88,104
Total segment revenue	451,987	7,294	459,281

5. OTHER INCOME

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Government grant	**29,937**	–
Interest income from promissory note	**399**	409
Recovery of costs from food court tenants	**–**	18,785
	30,336	19,194

6. OTHER GAINS/(LOSSES) — NET

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Gain/(Loss) on disposal of fixed assets	**(515)**	87
Provisions for impairment losses on:		
Fixed assets	**(11,325)**	–
Inventories	**(1,725)**	(280)
Loans and receivables	**(334)**	(275)
Fixed assets written off	**–**	(6)
Foreign exchange gains/(losses) — net	**681**	(3,473)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	**–**	19,752
	(13,218)	15,805

7. LOSS BEFORE TAX

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

	Six months ended 30 September	
	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	**9,563**	(30,755)
Investment funds	**(17)**	309
Other financial assets mandatorily classified at fair value through profit or loss:		
Debt securities	**(250)**	(786)
Investment funds	**34,688**	28,334
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	**(815)**	1,508
Derivative financial instruments	**4,609**	(1,488)
	47,778	(2,878)
Interest income:		
Loans and advances	**3,170**	–
Promissory note	**399**	409
Other	**1,670**	9,875
Depreciation of fixed assets	**(25,012)**	(36,363)
Depreciation of right-of-use assets	**(29,144)**	(92,285)
Cost of inventories sold	**(144,223)**	(142,684)
Selling and distribution expenses#	**(12,722)**	(10,591)
Legal and professional fees#	**(12,347)**	(14,707)
Consultancy and service fees#	**(12,935)**	(8,207)
Utilities charges#	**(5,051)**	(18,754)
Repairs and maintenance expenses#	**(4,071)**	(12,161)

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

8. INCOME TAX

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Hong Kong:		
Charge for the period	**1,635**	587
Underprovision in prior periods	**–**	432
Deferred	**(464)**	(280)
	1,171	739
Mainland China and overseas:		
Charge for the period	**6,050**	6,408
Underprovision/(Overprovision) in prior periods	**(16)**	1,068
Deferred	**(2,210)**	(1,511)
	3,824	5,965
Total charge for the period	**4,995**	6,704

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 mainland China and the Republic of Singapore, corporate taxes have been calculated on the estimated assessable profits for the period at the rates of 25% and 17% (2019 — 25% and 17%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

9. 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 period 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 period.

(b) Diluted loss per share

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 September 2020 and 2019.

10. INTERIM DIVIDEND

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Interim dividend, declared, of HK0.2 cent (2019 — HK0.2 cent) per ordinary share	**18,374**	18,374

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

11. INTERESTS IN JOINT VENTURES

Reference was made to the Group's 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. Subsequently, CS Mining sold its assets through a court-supervised sale process under its bankruptcy proceedings and a joint venture of the Company participated and won the bid to acquire the assets 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 (the "Majority Investors") individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group (collectively, the "Parties"). 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 Parties on CS Mining. The Parties filed a motion to dismiss the Complaint in 2019. Earlier this year, the Delaware State Court issued a decision on the motion to dismiss, partially granting the motion and dismissing several of the causes of action alleged by the Majority Investors. 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 Parties filed its answer earlier this year and the Majority Investors will now have to provide evidence to establish the claims that were not dismissed. The Group, individually and derivatively on behalf of Skye, also filed a counterclaim (the "Counterclaim") against the Majority Investors and their related persons (the "Counterparties"), in which the Group has claimed that the Counterparties, at all relevant times, controlled both Skye and CS Mining and 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 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.

12. 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:

	30 September 2020 *HK$'000*	31 March 2020 *HK$'000*
Outstanding balances with ages:		
Within 30 days	**34,298**	30,696
Between 31 and 60 days	**20,799**	20,456
Between 61 and 90 days	**12,930**	13,577
Between 91 and 180 days	**3,179**	3,363
	71,206	68,092

13. CREDITORS, ACCRUALS AND OTHER LIABILITIES

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

	30 September 2020 *HK$'000*	31 March 2020 *HK$'000*
Outstanding balances with ages:		
Within 30 days	**23,663**	22,722
Between 31 and 60 days	**9,280**	6,307
Between 61 and 90 days	**1,845**	409
Between 91 and 180 days	**2,089**	1,286
Over 180 days	**3,400**	2,382
	40,277	33,106

14. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current period's presentation and disclosures.

BUSINESS REVIEW

Overview

The novel coronavirus (COVID-19) pandemic has severely disrupted the global economy. Various COVID-19 containment measures such as travel restrictions and social distancing measures are still implemented in different parts of the world including the places at which the Group and its associates have operations. The performance of the Group and its associates were adversely affected during the period under review.

Results for the Period

The Group recorded a consolidated loss attributable to shareholders of approximately HK$38 million for the six months ended 30 September 2020 (the "Period"), as compared to a consolidated loss of approximately HK$109 million for the six months ended 30 September 2019 ("2019"). Such loss was mainly attributable to fair value losses on investment properties and operating loss due to the COVID-19 pandemic.

Due to the outbreak of COVID-19 pandemic, the operating environment of the Group's food businesses and property investment business is challenging. Coupled with the absence of contribution from the food court business which was disposed of in October 2019, revenue for the Period dropped to HK$325 million (2019 — HK$494 million). Food businesses remain the principal sources of revenue of the Group, contributing to 89% (2019 — 92%) of total revenue for the Period.

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$69 million for the Period (2019 — HK$79 million). The decrease in other operating expenses was mainly due to the disposal of food court business.

Food businesses

The Group's food businesses segment recorded a revenue of HK$290 million (2019 — HK$452 million), mainly from food manufacturing and food retail operations in chains of cafés and bistros. The substantial decrease in revenue was mainly due to the completion of the disposal of the food court business in October 2019 and the adverse impact of the COVID-19 pandemic on the Group's food retail operations for the Period. The food businesses segment reported a loss of HK$4 million for the Period (2019 — HK$3 million).

The Group will continue to focus on its food manufacturing business and food retail business. The performance of the Group's food retail business in Hong Kong and Singapore were adversely affected by the restrictions on gatherings. Due to the various movement control orders in Malaysia during the outbreak of the COVID-19, the food manufacturing factory is still in limited commercial operation. The Group has been expanding its food retail business, including the opening of second line of Chatterbox in Hong Kong under the trade name "Chatterbox Express", the first outlet of which was opened in October 2020 in Taikoo Shing and was well received. The performance of Chatterbox Café was satisfactory during the Period amid the difficult operating environment for food and beverage sector.

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. Following the downturn in the economy, the occupancy rate of the property investment portfolio dropped. To cope with the downturn of business due to COVID-19 pandemic, the Group, like other landlords in Hong Kong, offered rent concessions to its tenants to allow them to cope with such worsening economic conditions. Accordingly, the total segment revenue for the Period dropped to HK$12 million (2019 — HK$16 million).

The Group recorded fair value losses on investment properties of HK$49 million (2019 — HK$72 million), which was mainly due to the downturn in the property market in Hong Kong. Besides, a provision of HK$11 million (2019 — Nil) for impairment of certain properties located in Hong Kong was recorded during the Period. As a result, segment loss for the Period amounted to HK$61 million (2019 — HK$65 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$17 million during the Period (2019 — HK$21 million), mainly attributable to the dividend income received from the investment portfolio. The Group recorded net fair value gain in the statement of profit or loss from its securities investments of HK$42 million for the Period (2019 — loss of HK$1 million) under this segment. As a result, the treasury and securities investments businesses recorded a net profit of HK$55 million in the statement of profit or loss for the Period (2019 — HK$18 million).

As at 30 September 2020, the treasury and securities investments portfolio of HK$1,960 million (31 March 2020 — HK$1,834 million) comprised mainly cash and bank balances of HK$898 million (31 March 2020 — HK$899 million), financial assets at fair value through profit or loss ("FVPL") of HK$950 million (31 March 2020 — HK$828 million) and financial assets at fair value through other comprehensive income ("FVOCI") of HK$106 million (31 March 2020 — HK$106 million). Further details of securities investments under different categories are as follows:

Financial assets at fair value through profit or loss

As of 30 September 2020, the Group's financial assets at FVPL amounted to HK$950 million (31 March 2020 — HK$828 million), comprising equity securities of HK$501 million (31 March 2020 — HK$423 million), debt securities of HK$22 million (31 March 2020 — HK$19 million) and investment funds of HK$427 million (31 March 2020 — HK$386 million).

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

	As at 30 September 2020			As at 31 March 2020	For the six months ended 30 September 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")	80,330	9%	2%	93,250	(12,920)
Quantedge Global Fund ("Quantedge")	60,724	6%	1%	45,373	14,772
SherpaEverest Fund, LP ("SherpaEverest")	48,277	5%	1%	33,793	14,483
Amasia CIV T, L.P. ("Amasia")	43,953	5%	1%	21,819	22,133
Nineteen77 Capital Solutions Feeder LP ("Nineteen77")	39,607	4%	1%	32,542	129
Others *(Note)*	676,689	71%	13%	601,171	5,387
Total	949,580	100%	19%	827,948	43,984

Note: Others comprised of various securities, none of which accounted for more than 4% of financial assets at FVPL as at 30 September 2020.

GSH

As at 30 September 2020, the fair value of the Group's equity securities in GSH amounted to HK$80 million, representing approximately 9% 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. During the Period, GSH's revenue boosted by the continued progressive sales recognition from its two residential development projects in Malaysia. 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 and the first phase of the project has been commenced during the Period. GSH also owns and operates two hotels in Sabah but a temporary closure was implemented from mid-March 2020 in compliance with the Movement Control Order in Malaysia. Accordingly, the financial performance of the hotels has been negatively impacted. The Group received dividend income from GSH of HK$1 million for the Period. The share price performance of GSH was not satisfactory, resulting in an unrealised fair value loss of HK$13 million recognised for the Period. 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.

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. Quantedge has gradually recovered from the initial COVID-19 related drawdown, driven by gains from equities. This was further enhanced by gains in all the major asset classes in the portfolio such as fixed income, commodities and currencies. As at 30 September 2020, the fair value of the Group's investment in Quantedge amounted to HK$61 million, representing approximately 6% and 1% of the Group's total financial assets at FVPL and total assets, respectively. The Group reported a fair value gain of HK$15 million for the Period.

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 30 September 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 at 30 September 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 is satisfactory. As at 30 September 2020, the fair value of the Group's investment in SherpaEverest amounted to HK$48 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$14 million for the Period. Together with distribution of HK$3 million received subsequently in October 2020, the cumulated distribution amounted to approximately HK$11 million.

Amasia

The Group committed to invest a capital amount of US$2 million in Amasia in early 2015. It is a closed-end single-portfolio fund with 10-year term, which may be extended for up to three successive one-year periods. The purpose of the fund is to invest into a U.S. based company namely Dialpad (formerly known as Switch Communications, Inc.) for long-term capital gain. Dialpad originally started as Firespotter Labs in January 2011 to incubate various voice and telephony related ideas, and then developed its lightweight conference calling product "UberConference". In January 2015, Dialpad released "Switch", a "Private-Branch-Exchange in the Cloud" solution for small to large enterprise clients. Despite the COVID-19 pandemic, Dialpad's performance is satisfactory. As at 30 September 2020, the fair value of the Group's investment in Amasia amounted to HK$44 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$22 million for the Period, which is mainly attributable to the increase in valuation of Dialpad by reference to the latest round financing in October 2020.

Nineteen77

Nineteen77 is a hedge fund that specialised in extracting value from scarcity premium in the credit market. The Group invested in Nineteen77 since 2017. As at 30 September 2020, the fair value of the Group's investment in Nineteen77 amounted to HK$40 million, representing approximately 4% and 1% of the Group's total financial assets at FVPL and total assets, respectively. The Group received distribution of HK$2 million and reported a fair value gain of HK$0.1 million for the Period. Looking ahead, the increased volatility in the market due to COVID-19 pandemic has created opportunities for investment strategy of Nineteen77. As advised by the fund manager of Nineteen77, it is expected that as volatility persists, the demand for loans will remain high while the supply of lenders diminishes due to banks retrenching further and other loan funds need to address problems in their portfolios. That kind of supply/demand dynamic will create more situations where the fund can be paid a premium for providing a capital solution.

Financial assets at fair value through other comprehensive income

In addition to the above investments under financial assets at FVPL, the Group also invested 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 30 September 2020, the fair value of such investments amounted to approximately HK$106 million (31 March 2020 — HK$106 million). During the Period, unrealised fair value gain of HK$0.2 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 30 September 2020.

The Group invested approximately HK$7.6 million in eBroker in its three rounds of financing held in 2017 and 2018. The carrying amount of total investments in eBroker amounted to HK$85 million as at 30 September 2020, representing 81% and 2% 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. In June 2020, the Securities and Futures Commission has approved eBroker to become a substantial shareholder of a brokerage firm in Hong Kong. Through this acquisition, eBroker is able to utilise their platform to provide online equity trading to eBroker's clients and build up a prestigious account system. 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.

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 30 September 2020, the Group was interested in approximately 40.91% of the issued shares in Healthway. Healthway is a company listed on the sponsor-supervised listing platform 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.

The introduction of circuit breaker measures by the Singapore Government during the Period to curb the community transmission had resulted in drop in mobility. With more people staying home, the patient volume for both the Primary Healthcare segment and Specialist Healthcare segment reduced accordingly. In addition, there was a mandatory deferment of elective surgeries imposed by the Singapore Government as part of the circuit breaker measures, which further affected revenue for the Specialist Healthcare segment. Accordingly, the revenue of the HMC Group dropped during the Period but the HMC Group had received government grants comprising job support scheme, wage credit and property tax rebates as part of the COVID-19 Stimulus Packages announced by the Singapore Government.

The Group's share of loss from the HMC Group amounted to HK$0.2 million for the Period (2019 — HK$3 million). Including the effect of appreciation of Singapore dollar during the Period, the Group's interest in Healthway increased to HK$410 million (31 March 2020 — HK$394 million).

With the gradual resumption of business travel in Singapore, 26 General Practitioner ("GP") clinics of HMC currently offers pre-business travel swab tests. With the convergence of the COVID-19 situation and the traditional peak flu season, the GP clinics of HMC continue to work closely with the Ministry of Health to offer subsidised flu vaccines to Singaporeans through the Community Health Assist Scheme programme. Following the enhanced National Adult Immunisation Schedule launched in November 2020 and a greater awareness of general health and wellbeing brought about by the pandemic, HMC's clinics have seen an increase in patients seeking the flu vaccine when compared to the same period last year. To complement the services of its network of clinics, in August 2020, the HMC Group had officially launched its teleconsultation app which is a next step in HMC's digitisation journey. To provide patients with a full spectrum of holistic services, from primary to specialist and preventive care, HMC will consolidate its vast network of primary and specialist clinics, with over than 100 doctors under the Healthway Medical app over a series of phases.

Other businesses

TIH

The Group recorded a share of profit of HK$25 million from its investment in TIH Limited ("TIH"), an associate of the Company and listed on the Mainboard of the SGX-ST for the Period (2019 — HK$1 million), mainly attributable to net gain in fair value on its investments at FVPL. The interests in TIH as at 30 September 2020 increased to HK$267 million (31 March 2020 — HK$237 million).

TIH's core strategy remains in sourcing for attractive long-term investment opportunities in special situations, corporates deleveraging and non-core secondary assets. TIH launched a new Asian active engagement fund, namely, Vasanta Fund, via a joint venture in May 2020 to invest opportunistically in deep-value listed companies with an aim to maximise and unlock value through active engagement with the management and stakeholders.

Mineral exploration and extraction

Reference was made to the Group's 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. Subsequently, CS Mining sold its assets through a court-supervised sale process under its bankruptcy proceedings and a joint venture of the Company participated and won the bid to acquire the assets 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 (the "Majority Investors") individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group (collectively, the "Parties"). 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 Parties on CS Mining. The Parties filed a motion to dismiss the Complaint in 2019. Earlier this year, the Delaware State Court issued a decision on the motion to dismiss, partially granting the motion and dismissing several of the causes of action alleged by the Majority Investors. 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 Parties filed its answer earlier this year and the Majority Investors will now have to provide evidence to establish the claims that were not dismissed. The Group, individually and derivatively on behalf of Skye, also filed a counterclaim (the "Counterclaim") against the Majority Investors and their related persons (the "Counterparties"), in which the Group has claimed that the Counterparties, at all relevant times, controlled both Skye and CS Mining and 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 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.

Financial Position

The Group's financial position remained healthy. As at 30 September 2020, its total assets amounted to HK$5.1 billion (31 March 2020 — HK$5.0 billion). As at 30 September 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) increased to HK$1.2 billion (31 March 2020 — HK$1.1 billion). Total liabilities increased to HK$1.7 billion (31 March 2020 — HK$1.4 billion), mainly attributable to increasing bank and other borrowings following the re-financing of bank loans during the Period. Current ratio as at 30 September 2020 increased to 2.3 (31 March 2020 — 1.6) after the completion of refinancing of certain bank loans during the Period.

As at 30 September 2020, bank and other borrowings of the Group increased to HK$1,137 million (31 March 2020 — HK$845 million), which included bank loans of HK$857 million (31 March 2020 — HK$576 million) and unsecured notes of HK$280 million (31 March 2020 — HK$269 million).

As at 30 September 2020, the bank loans comprised secured bank loans of HK$857 million (31 March 2020 — HK$576 million) and 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 30 September 2020, 7% (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. As at 30 September 2020, hire purchase commitment amounted to HK$0.1 million (31 March 2020 — HK$0.2 million) and was included in lease liabilities on the statement of financial position.

As at 30 September 2020, approximately 37% (31 March 2020 — 82%) of the bank and other borrowings were repayable within one year after the re-financing of bank loans during the Period. As at 30 September 2020, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 32.5% (31 March 2020 — 23.1%). The Group maintained a net cash position and 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$3.1 billion as at 30 September 2020 (31 March 2020 — HK$3.2 billion), mainly attributable to the loss for the Period and dividends declared and paid during the Period and offset by the translation gain on foreign operations from the appreciation of Singapore dollar and Renminbi. This was equivalent to HK34 cents per share as at 30 September 2020 (31 March 2020 — HK34 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$4 million as at 30 September 2020 (31 March 2020 — HK$20 million) issued in lieu of rental and utility deposits for the premises used for operation of food businesses. Approximately 49% (31 March 2020 — 13%) 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 Period (31 March 2020 — 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 30 September 2020 decreased to HK$69 million (31 March 2020 — HK$104 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 964 full-time employees as at 30 September 2020 (30 September 2019 — 933 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Period amounted to HK$150 million (2019 — HK$160 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

The global economy has recovered at a faster-than-expected pace so far, but the unknown trajectory of COVID-19 and the macro-geopolitical issues such as evolving relations between the PRC and the U.S.A., heightened geopolitical tensions and the Brexit negotiations remain major factors in determining the recovery of the global economy. It is expected that COVID-19 containment measures will continue in 2021 but will subsequently fade over time as vaccine coverage expands and therapies improve. The Group and its associates will continue their efforts to mitigate the adverse operating environment while fostering financial resilience strategies for long-term sustainable growth of their businesses. They will seek suitable business opportunities cautiously with a view to enhancing shareholders' value.

INTERIM DIVIDEND

The Directors have resolved to declare the payment of an interim dividend of HK0.2 cent per share (For the six months ended 30 September 2019 — HK0.2 cent per share) amounting to approximately HK$18.4 million for the six months ended 30 September 2020 (For the six months ended 30 September 2019 — approximately HK$18.4 million), which will be paid on Friday, 22 January 2021 to shareholders whose names appear on the Register of Members on Friday, 8 January 2021.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 6 January 2021 to Friday, 8 January 2021 (both dates inclusive) during which period no transfer of share will be registered. In order to qualify for the interim dividend for the six months ended 30 September 2020, 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 Tuesday, 5 January 2021.

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

During the six months ended 30 September 2020, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

AUDIT COMMITTEE

The Company has established an audit committee (the "Committee"). The existing members of the Committee comprise three independent non-executive Directors, namely Mr. Victor Ha Kuk Yung (Chairman), Mr. Edwin Neo and Mr. King Fai Tsui and one non-executive Director, Mr. Leon Nim Leung Chan. The Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2020.

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 six months ended 30 September 2020.

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

Hong Kong, 27 November 2020

As at the date of this announcement, the Board of Directors of the Company comprises seven directors, of which Dr. Stephen Riady (Chairman), 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.