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LIPPO LIMITED

力寶有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 226)

FINAL RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

The Directors of Lippo Limited (the “Company”) announce the consolidated final results of the Company and its subsidiaries (collectively, the “Group”) for the nine months ended 31 December 2020 together with the comparative figures for the year ended 31 March 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 31 December 2020

	Note	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000 (Restated)
Continuing operations			
Revenue	4	573,001	925,155
Cost of sales	7	(243,529)	(284,952)
Gross profit		329,472	640,203
Other income	5	47,388	22,635
Administrative expenses		(311,781)	(632,011)
Other operating expenses	7	(175,383)	(238,735)
Gain/(Loss) on disposal of subsidiaries	16	(35,818)	342,679
Net fair value loss on investment properties		(45,427)	(81,539)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	7	132,361	(170,721)
Other losses — net	6	(11,224)	(13,911)
Finance costs		(51,923)	(91,921)
Share of results of associates		40,148	(17,225)
Share of results of joint ventures	8	(966,316)	433,613
Profit/(Loss) before tax from continuing operations	7	(1,048,503)	193,067
Income tax	9	(9,061)	(2,346)
Profit/(Loss) for the period/year from continuing operations		(1,057,564)	190,721
Discontinued operation			
Profit/(Loss) for the period/year from discontinued operation	10	134,599	(7,021)
Profit/(Loss) for the period/year		(922,965)	183,700
Attributable to:			
Equity holders of the Company		(675,325)	(10,315)
Non-controlling interests		(247,640)	194,015
		(922,965)	183,700
		HK\$	HK\$ (Restated)
Loss per share attributable to equity holders of the Company			
Basic and diluted	11		
– For loss for the period/year		(1.37)	(0.02)
– For loss from continuing operations		(1.57)	(0.01)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 31 December 2020

	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000
Profit/(Loss) for the period/year	(922,965)	183,700
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	96,064	(94,754)
Exchange differences reclassified to profit or loss upon:		
Disposal of foreign subsidiaries	35,562	11,351
Liquidation of foreign operations	(3,813)	(13,985)
Deemed disposal of an associate	(32)	–
Derecognition of an associate	–	1,511
Share of other comprehensive income/(loss) of associates	48,938	(39,924)
Share of other comprehensive income/(loss) of joint ventures:		
Exchange differences on translation of foreign operations	712,071	(502,169)
Other reserves	(14,167)	(50,719)
Adjustment for disposal of interests in a joint venture	282	–
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax	874,905	(688,689)
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	(6,762)	(36,427)
Share of changes in fair value of equity instruments at fair value through other comprehensive income of joint ventures	90,561	54,920
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	83,799	18,493
Other comprehensive income/(loss) for the period/year, net of tax	958,704	(670,196)
Total comprehensive income/(loss) for the period/year	35,739	(486,496)
Attributable to:		
Equity holders of the Company	20,272	(498,187)
Non-controlling interests	15,467	11,691
	35,739	(486,496)
Total comprehensive income/(loss) for the period/year attributable to equity holders of the Company:		
– From continuing operations	(79,856)	(492,848)
– From discontinued operation	100,128	(5,339)
	20,272	(498,187)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	31 December 2020 HK\$'000	31 March 2020 HK\$'000
Non-current assets			
Intangible assets		21,034	21,034
Exploration and evaluation assets		1,370	882
Fixed assets		1,185,997	1,158,151
Investment properties		748,055	763,652
Right-of-use assets		128,096	133,715
Interests in associates		1,181,253	1,042,358
Interests in joint ventures	13	10,236,373	10,338,320
Financial assets at fair value through other comprehensive income		102,993	105,689
Financial assets at fair value through profit or loss		471,676	388,662
Debtors, prepayments and other assets	14	10,615	11,872
Other financial asset		1,199	46,780
Deferred tax assets		4,815	2,807
		<u>14,093,476</u>	<u>14,013,922</u>
Current assets			
Properties held for sale		70,078	81,512
Properties under development		31,509	30,179
Inventories		15,839	10,389
Loans and advances		26,420	74,695
Debtors, prepayments and other assets	14	176,561	199,869
Financial assets at fair value through profit or loss		575,425	453,307
Tax recoverable		2,820	474
Restricted cash		55,844	51,854
Time deposits with original maturity of more than three months		73,034	66,176
Cash and cash equivalents		1,202,629	1,175,208
		<u>2,230,159</u>	<u>2,143,663</u>
Current liabilities			
Bank and other borrowings		753,031	916,817
Lease liabilities		43,565	45,680
Creditors, accruals and other liabilities	15	326,380	301,354
Other financial liabilities		23,519	21,606
Tax payable		175,324	174,359
		<u>1,321,819</u>	<u>1,459,816</u>
Net current assets		<u>908,340</u>	<u>683,847</u>
Total assets less current liabilities		<u>15,001,816</u>	<u>14,697,769</u>

		31 December	31 March
		2020	2020
	Note	HK\$'000	HK\$'000
Non-current liabilities			
Bank and other borrowings		1,212,929	1,022,806
Lease liabilities		91,967	94,560
Creditors, accruals and other liabilities	15	9,418	6,453
Other financial liability		1,343	1,303
Deferred tax liabilities		46,442	44,128
		<u>1,362,099</u>	<u>1,169,250</u>
Net assets		<u>13,639,717</u>	<u>13,528,519</u>
Equity			
Equity attributable to equity holders of the Company			
Share capital		986,598	986,598
Reserves		8,614,631	8,521,586
		<u>9,601,229</u>	<u>9,508,184</u>
Non-controlling interests		4,038,488	4,020,335
		<u>13,639,717</u>	<u>13,528,519</u>

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 2020, except for the adoption of the revised HKFRSs as disclosed in Note 2 to the final results.

The unaudited financial information relating to the nine months ended 31 December 2020 and the financial information relating to the year ended 31 March 2020 included in this preliminary announcement of final results for the nine months ended 31 December 2020 does not constitute the Company’s statutory annual consolidated financial statements for those period/year but, in respect of the year ended 31 March 2020, 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 nine months ended 31 December 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 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 the financial statements of the Group for the year ended 31 March 2020. 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.

Change of financial year end date

Pursuant to a resolution of the Board of Directors passed on 18 September 2020, the Company’s financial year end date was changed from 31 March to 31 December. Accordingly, the current financial period covers a 9-month period from 1 April 2020 to 31 December 2020. The comparative figures cover a 12-month period from 1 April 2019 to 31 March 2020, which may not be comparable with amounts shown for the current period.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current period's final results:

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

Other than as explained below regarding the impact of Amendment to HKFRS 16, the application of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs has had no significant financial effect on the final 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 nine months ended 31 December 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 nine months ended 31 December 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of HK\$8,299,000 has been accounted for as variable lease payments by derecognising part of the lease liabilities and crediting to profit or loss for the nine months ended 31 December 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 property development segment includes the development and sale of properties;
- (c) the treasury investment segment includes investments in money markets;
- (d) the securities investment segment includes investments in securities that are held for trading and for long-term strategic purposes;
- (e) the food businesses segment mainly includes food manufacturing and retailing, the management of restaurants and food court operations;
- (f) the healthcare services segment includes the provision of healthcare management services; and
- (g) the “other” segment comprises principally mineral exploration and extraction, money lending, the provision of property, project, fund management and investment advisory services and investment in a closed-end fund.

The banking business segment which engages in the provision of commercial and retail banking services was classified as discontinued operation during the nine months ended 31 December 2020 (Note 10).

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.

Nine months ended 31 December 2020

	Continuing operations								Discontinued operation		
	Property investment HK\$'000	Property development 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	Banking business HK\$'000	Consolidated HK\$'000
Revenue											
External	63,883	29,221	3,416	16,074	446,018	-	14,389	-	573,001	-	573,001
Inter-segment	2,269	-	-	-	-	-	6,070	(8,339)	-	-	-
Total	66,152	29,221	3,416	16,074	446,018	-	20,459	(8,339)	573,001	-	573,001
Segment results	(29,430)	(24,363)	3,416	135,985	(22,939)	(2,025)	(3,872)	(490)	56,282	134,883	191,165
Unallocated corporate expenses									(150,354)	-	(150,354)
Finance costs									(28,263)	-	(28,263)
Share of results of associates	-	6,590	-	-	-	7,002	26,556	-	40,148	-	40,148
Share of results of joint ventures	(967,490)	1,370	-	-	(196)	-	-	-	(966,316)	(284)	(966,600)
Profit/(Loss) before tax									(1,048,503)	134,599	(913,904)
Segment assets	1,486,104	91,641	563,192	1,661,453	909,938	-	118,376	(15,686)	4,815,018	-	4,815,018
Interests in associates	6,963	404,547	-	-	-	431,252	338,491	-	1,181,253	-	1,181,253
Interests in joint ventures	10,160,258	1,997	-	41,512	32,238	368	-	-	10,236,373	-	10,236,373
Unallocated assets									90,991	-	90,991
Total assets									16,323,635	-	16,323,635
Segment liabilities	501,605	13,056	-	61,374	547,403	416,466	472,600	(858,913)	1,153,591	-	1,153,591
Unallocated liabilities									1,530,327	-	1,530,327
Total liabilities									2,683,918	-	2,683,918
Other segment information:											
Capital expenditure (Note)	156	-	-	-	63,866	-	461	-	64,483	-	64,483
Depreciation	(14,755)	-	-	-	(61,905)	-	(943)	2,254	(75,349)	-	(75,349)
Interest income	46,066	-	3,416	-	1,911	-	1,774	-	53,167	-	53,167
Finance costs	(9,313)	-	-	-	(10,271)	-	(4,736)	660	(23,660)	-	(23,660)
Gain/(Loss) on disposal of:											
Subsidiaries	-	(35,818)	-	-	-	-	-	-	(35,818)	-	(35,818)
Fixed assets	-	-	-	-	(34)	-	-	-	(34)	-	(34)
Interests in a joint venture	-	-	-	-	-	-	-	-	-	181,663	181,663
Gain on deemed disposal of an associate	-	-	-	-	-	-	195	-	195	-	195
Provisions for impairment losses on:											
Fixed assets	(12,238)	-	-	-	-	-	-	-	(12,238)	-	(12,238)
An associate	-	-	-	-	-	-	(107)	-	(107)	-	(107)
Joint ventures	-	-	-	-	-	(212)	(980)	-	(1,192)	-	(1,192)
Properties held for sale	(620)	-	-	-	-	-	-	-	(620)	-	(620)
Properties under development	-	(149)	-	-	-	-	-	-	(149)	-	(149)
Inventories	-	-	-	-	(2,409)	-	-	-	(2,409)	-	(2,409)
Loans and receivables	-	-	-	-	(507)	-	-	-	(507)	-	(507)
Realised translation gains/(losses) reclassified to the statement of profit or loss relating to liquidation of foreign operations	-	5,714	-	-	(1,503)	-	(398)	-	3,813	-	3,813
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	-	-	-	128,945	3,416	-	-	-	132,361	(46,780)	85,581
Net fair value loss on investment properties	(45,427)	-	-	-	-	-	-	-	(45,427)	-	(45,427)
Unallocated:											
Capital expenditure (Note)									1,163	-	1,163
Depreciation									(12,581)	-	(12,581)
Finance costs									(28,263)	-	(28,263)
Loss on disposal of fixed assets									(1,340)	-	(1,340)

Year ended 31 March 2020 (restated)

	Continuing operations								Discontinued operation		
	Property investment HK\$'000	Property development 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	Banking business HK\$'000	Consolidated HK\$'000
Revenue											
External	90,720	-	16,034	17,158	785,326	-	15,917	-	925,155	-	925,155
Inter-segment	4,596	-	-	-	-	-	2,349	(6,945)	-	-	-
Total	95,316	-	16,034	17,158	785,326	-	18,266	(6,945)	925,155	-	925,155
Segment results	(47,036)	(8,430)	16,034	(147,108)	278,433	(896)	(12,779)	652	78,870	(2,307)	76,563
Unallocated corporate expenses									(254,273)	-	(254,273)
Finance costs									(47,918)	-	(47,918)
Share of results of associates	-	24,520	-	-	-	(4,118)	(37,627)	-	(17,225)	-	(17,225)
Share of results of joint ventures	433,874	(31)	-	-	(230)	-	-	-	433,613	(4,714)	428,899
Profit/(Loss) before tax									193,067	(7,021)	186,046
Segment assets	1,536,382	100,732	474,036	1,545,627	851,332	-	156,539	(16,504)	4,648,144	46,780	4,694,924
Interests in associates	6,290	369,646	-	-	-	394,071	272,351	-	1,042,358	-	1,042,358
Interests in joint ventures	10,176,674	530	-	-	31,243	580	-	-	10,209,027	129,293	10,338,320
Unallocated assets									81,983	-	81,983
Total assets									15,981,512	176,073	16,157,585
Segment liabilities	717,678	9,919	-	12,102	478,582	398,902	427,256	(391,529)	1,652,910	-	1,652,910
Unallocated liabilities									976,156	-	976,156
Total liabilities									2,629,066	-	2,629,066
Other segment information:											
Capital expenditure (Note)	199	-	-	-	235,883	-	461	-	236,543	-	236,543
Depreciation	(23,480)	(2)	-	-	(167,585)	-	(862)	4,714	(187,215)	-	(187,215)
Interest income	61,254	-	16,034	-	5,563	-	1,188	-	84,039	-	84,039
Finance costs	(19,192)	-	-	-	(18,988)	-	(6,364)	541	(44,003)	-	(44,003)
Gain/(Loss) on disposal of:											
Subsidiaries	-	-	-	-	342,679	-	-	-	342,679	-	342,679
Fixed assets	-	-	-	-	(4,775)	-	(1)	-	(4,776)	-	(4,776)
An investment property	(1,254)	-	-	-	-	-	-	-	(1,254)	-	(1,254)
Loss on derecognition of associates	-	-	-	-	-	-	(1,519)	-	(1,519)	-	(1,519)
Write-back of provisions/(Provisions) for impairment losses on:											
Fixed assets	(20,192)	-	-	-	3,265	-	-	-	(16,927)	-	(16,927)
Associates	-	-	-	-	-	-	168	-	168	-	168
Joint ventures	-	3,400	-	-	-	(896)	(717)	-	1,787	-	1,787
Properties under development	-	(140)	-	-	-	-	-	-	(140)	-	(140)
Inventories	-	-	-	-	(667)	-	-	-	(667)	-	(667)
Loans and receivables	-	-	-	-	(1,539)	-	-	-	(1,539)	-	(1,539)
Fixed assets written off	-	-	-	-	(2,627)	-	-	-	(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)	-	(10,434)
Net fair value loss on financial instruments at fair value through profit or loss	-	-	-	(158,880)	(11,841)	-	-	-	(170,721)	(2,307)	(173,028)
Net fair value loss on investment properties	(81,539)	-	-	-	-	-	-	-	(81,539)	-	(81,539)
Unallocated:											
Capital expenditure (Note)									2,883		2,883
Depreciation									(17,564)		(17,564)
Finance costs									(47,918)		(47,918)
Gain on disposal of fixed assets									133		133
Net realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations									24,419		24,419

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

Geographical information

(a) Revenue from external customers

	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000
Hong Kong	160,589	253,605
Mainland China	37,915	14,900
Republic of Singapore	356,752	619,451
Malaysia	–	9,572
Indonesia	10,186	17,193
Other	7,559	10,434
	<u>573,001</u>	<u>925,155</u>

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

(b) Non-current assets

	31 December 2020 HK\$'000	31 March 2020 HK\$'000
Hong Kong	1,172,377	1,241,416
Macau	–	129,293
Mainland China	280,202	265,582
Republic of Singapore	11,338,425	11,234,996
Malaysia	374,896	319,596
Indonesia	215,908	161,951
Other	120,449	105,278
	<u>13,502,257</u>	<u>13,458,112</u>

The non-current assets 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\$90,271,000 for the nine months ended 31 December 2020 (year ended 31 March 2020 — HK\$118,793,000) was derived from sales by the food businesses segment to a single customer.

4. REVENUE

An analysis of revenue from continuing operations is as follows:

	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000
Revenue from contracts with customers:		
Sale of properties	29,221	–
Sale of goods and fast-moving consumer products	244,657	307,446
Sale of food and beverage	196,236	371,342
Provision of management services	10,923	14,336
	<u>481,037</u>	<u>693,124</u>
Revenue from other sources:		
Fees charged to food court tenants		
Variable lease payments that do not depend on an index or a rate	–	8,018
Other lease payments, including fixed payments	–	81,190
	<u>–</u>	<u>89,208</u>
Property rental income from operating leases	17,817	29,466
Interest income	52,561	83,223
Dividend income	16,074	17,158
Other	5,512	12,976
	<u>573,001</u>	<u>925,155</u>

Revenue from contracts with customers Disaggregated revenue information Nine months ended 31 December 2020

Segments	Property development HK\$'000	Food businesses HK\$'000	Other HK\$'000	Total HK\$'000
Types of goods or services:				
Sale of properties	29,221	–	–	29,221
Sale of goods and fast-moving consumer products	–	244,657	–	244,657
Sale of food and beverage	–	196,236	–	196,236
Provision of management services	–	–	10,923	10,923
	<u>29,221</u>	<u>440,893</u>	<u>10,923</u>	<u>481,037</u>
Total revenue from contracts with customers	<u>29,221</u>	<u>440,893</u>	<u>10,923</u>	<u>481,037</u>
Geographical markets:				
Hong Kong	–	132,510	7,705	140,215
Mainland China	29,221	–	1,576	30,797
Republic of Singapore	–	308,383	1,642	310,025
	<u>29,221</u>	<u>440,893</u>	<u>10,923</u>	<u>481,037</u>
Total revenue from contracts with customers	<u>29,221</u>	<u>440,893</u>	<u>10,923</u>	<u>481,037</u>
Timing of revenue recognition:				
Goods transferred at a point in time	29,221	440,893	–	470,114
Services transferred over time	–	–	10,923	10,923
	<u>29,221</u>	<u>440,893</u>	<u>10,923</u>	<u>481,037</u>
Total revenue from contracts with customers	<u>29,221</u>	<u>440,893</u>	<u>10,923</u>	<u>481,037</u>

Year ended 31 March 2020

Segments	Property development HK\$'000	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	–	–	14,336	14,336
Total revenue from contracts with customers	–	678,788	14,336	693,124
Geographical markets:				
Hong Kong	–	217,022	11,091	228,113
Mainland China	–	–	2,135	2,135
Republic of Singapore	–	459,058	1,110	460,168
Malaysia	–	2,708	–	2,708
Total revenue from contracts with customers	–	678,788	14,336	693,124
Timing of revenue recognition:				
Goods transferred at a point in time	–	678,788	–	678,788
Services transferred over time	–	–	14,336	14,336
Total revenue from contracts with customers	–	678,788	14,336	693,124

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

Segments	Property development HK\$'000	Food businesses HK\$'000	Other HK\$'000	Total HK\$'000
Nine months ended 31 December 2020				
Revenue from contracts with customers				
External customers	29,221	440,893	10,923	481,037
Inter-segment	–	–	6,070	6,070
Total revenue from contracts with customers	29,221	440,893	16,993	487,107
Revenue from other sources — external	–	5,125	3,466	8,591
Total segment revenue	29,221	446,018	20,459	495,698
Year ended 31 March 2020				
Revenue from contracts with customers				
External customers	–	678,788	14,336	693,124
Inter-segment	–	–	2,349	2,349
Total revenue from contracts with customers	–	678,788	16,685	695,473
Revenue from other sources — external	–	106,538	1,581	108,119
Total segment revenue	–	785,326	18,266	803,592

5. OTHER INCOME

	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000
Government grants (<i>Note</i>)	46,782	–
Interest income from promissory note	606	816
Recovery of costs from food court tenants	–	21,819
	<u>47,388</u>	<u>22,635</u>

Note: Government grants mainly represent subsidies received in connection with COVID-19 pandemic in Hong Kong and Singapore. There are no unfulfilled conditions or other contingencies attaching to these grants.

6. OTHER LOSSES — NET

	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000
Loss on disposal of:		
Fixed assets	(1,374)	(4,643)
An investment property	–	(1,254)
Gain on deemed disposal of an associate	195	–
Loss on derecognition of associates	–	(1,519)
Write-back of provisions/(Provisions) for impairment losses on:		
Fixed assets	(12,238)	(16,927)
Associates	(107)	168
Joint ventures	(1,192)	1,787
Properties held for sale	(620)	–
Properties under development	(149)	(140)
Inventories	(2,409)	(667)
Loans and receivables	(507)	(1,539)
Bad debt recovered	–	4,618
Fixed assets written off	–	(2,627)
Foreign exchange gains/(losses) — net	3,364	(5,153)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	3,813	13,985
	<u>(11,224)</u>	<u>(13,911)</u>

7. PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS

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

	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000
Cost of sales:		
Cost of properties sold	(15,885)	–
Cost of inventories sold	(224,476)	(281,325)
Other	(3,168)	(3,627)
	<u>(243,529)</u>	<u>(284,952)</u>
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Financial assets at fair value through profit or loss held for trading:		
Equity securities	80,724	(154,098)
Investment funds	(11,714)	505
Other financial assets mandatorily classified at fair value through profit or loss:		
Debt securities	(410)	(1,956)
Investment funds	62,909	(5,181)
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	(864)	1,850
Derivative financial instruments	1,716	(11,841)
	<u>132,361</u>	<u>(170,721)</u>
Interest income:		
Loans and advances	49,915	70,498
Promissory note	606	816
Other	2,646	12,725
Depreciation of fixed assets	(45,038)	(72,316)
Depreciation of right-of-use assets	(42,892)	(132,463)
Selling and distribution expenses [#]	(22,662)	(17,789)
Legal and professional fees [#]	(23,499)	(46,775)
Consultancy and service fees [#]	(59,314)	(71,064)
Utilities charges [#]	(8,322)	(27,718)
Repairs and maintenance expenses [#]	(7,240)	(24,418)

[#] The amounts are included in “Other operating expenses” in the consolidated statement of profit or loss.

8. SHARE OF RESULTS OF JOINT VENTURES

Share of results of joint ventures for the nine months ended 31 December 2020 mainly included share of loss in Lippo ASM Asia Property Limited (“LAAPL”) of HK\$957,501,000 (year ended 31 March 2020 — share of profit of HK\$439,522,000). The share of loss for the nine months ended 31 December 2020 was mainly attributable to net fair value losses on investment properties and impairment losses on fixed assets.

LAAPL is a joint venture set up to hold the controlling stake in OUE Limited (“OUE”). OUE is listed on the Mainboard of Singapore Exchange Securities Trading Limited. OUE is principally engaged in developing and managing assets across the commercial, hospitality, retail, residential and healthcare sectors. Certain bank facilities under LAAPL were secured by certain listed shares held under it.

9. INCOME TAX

	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000
Hong Kong:		
Charge for the period/year	2,165	4,275
Underprovision/(Overprovision) in prior years	(169)	436
Deferred	(229)	(652)
	<u>1,767</u>	<u>4,059</u>
Mainland China and overseas:		
Charge for the period/year	11,628	14,386
Overprovision in prior years	(580)	(13,161)
Deferred	(3,754)	(2,938)
	<u>7,294</u>	<u>(1,713)</u>
Total charge for the period/year from continuing operations	<u>9,061</u>	<u>2,346</u>

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (year ended 31 March 2020 — 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/year at the rates of 25% and 17% (year ended 31 March 2020 — 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.

10. DISCONTINUED OPERATION

In September 2020, the Group disposed of its remaining 20% interest in The Macau Chinese Bank Limited (“MCB”, a joint venture of the Company). After the disposal, the Group ceased its banking business. Accordingly, the banking business was classified as discontinued operation. The put option to sell its 20% interest to the majority shareholder of MCB ceased to have effect upon the completion of the disposal.

The results of the banking business for the period/year are presented below:

	Note	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000
Fair value loss on financial instrument at fair value through profit or loss		(46,780)	(2,307)
Share of results of a joint venture		(284)	(4,714)
Loss before tax		(47,064)	(7,021)
Income tax		–	–
Loss after tax from discontinued operation		(47,064)	(7,021)
Gain on disposal of discontinued operation		181,663	–
Profit/(Loss) for the period/year from discontinued operation		134,599	(7,021)
Other comprehensive income			
Share of fair value reserve of financial assets at fair value through other comprehensive income of a joint venture		519	(199)
Release of cumulative fair value reserve of financial assets at fair value through other comprehensive income from discontinued operation upon disposal		282	–
Other comprehensive income/(loss) from discontinued operation		801	(199)
Total comprehensive income/(loss) for the period/year from discontinued operation		135,400	(7,220)
Profit/(Loss) for the period/year attributable to:			
Equity holders of the Company		99,536	(5,192)
Non-controlling interests		35,063	(1,829)
		134,599	(7,021)
Total comprehensive income/(loss) for the period/year attributable to:			
Equity holders of the Company		100,128	(5,339)
Non-controlling interests		35,272	(1,881)
		135,400	(7,220)
		HK\$	HK\$
Earnings/(Loss) per share attributable to equity holders of the Company	11		
Basic and diluted			
– For profit/(loss) from discontinued operation		0.20	(0.01)

11. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated based on (i) the consolidated profit/(loss) for the period/year attributable to equity holders of the Company; and (ii) the weighted average number of approximately 493,154,000 ordinary shares (year ended 31 March 2020 — approximately 493,154,000 ordinary shares) in issue during the period/year.

	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000 (Restated)
Consolidated profit/(loss) attributable to equity holders of the Company:		
From continuing operations	(774,861)	(5,123)
From discontinued operation	99,536	(5,192)
	<u>(675,325)</u>	<u>(10,315)</u>

(b) Diluted earnings/(loss) per share

The Group had no potentially dilutive ordinary shares in issue during the nine months ended 31 December 2020 and the year ended 31 March 2020.

12. DIVIDENDS

	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000
Interim dividend, declared, of HK4 cents (year ended 31 March 2020 — HK4 cents) per ordinary share	19,726	19,726
Final dividend, proposed, of HK3 cents (year ended 31 March 2020 — HK5 cents) per ordinary share	<u>14,795</u>	<u>24,658</u>
	<u>34,521</u>	<u>44,384</u>

The proposed final dividend for the period is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. 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. The Delaware State Court issued a decision on the motion to dismiss in 2020, 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 and the Majority Investors will 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 alleged that the conduct of the Counterparties caused the Group to suffer loss, and accordingly seeks damages against the Counterparties for such losses. The Counterparties have filed a motion to dismiss the Counterclaim but the Group has opposed such motion. The Group continues to believe the Complaint is wholly frivolous and without basis.

14. 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:

	31 December 2020 HK\$'000	31 March 2020 HK\$'000
Outstanding balances with ages:		
Within 30 days	33,361	30,732
Between 31 and 60 days	24,514	20,456
Between 61 and 90 days	15,904	13,577
Between 91 and 180 days	1,813	3,363
	75,592	68,128

15. CREDITORS, ACCRUALS AND OTHER LIABILITIES

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

	31 December 2020 HK\$'000	31 March 2020 HK\$'000
Outstanding balances with ages:		
Within 30 days	30,470	22,722
Between 31 and 60 days	8,527	6,307
Between 61 and 90 days	1,061	409
Between 91 and 180 days	1,097	1,286
Over 180 days	2,545	2,382
	43,700	33,106

16. DISPOSAL OF SUBSIDIARIES

	Nine months ended 31 December 2020 HK\$'000	Year ended 31 March 2020 HK\$'000
Net assets disposed of:		
Intangible assets	–	158,091
Fixed assets	–	66,597
Right-of-use assets	–	504,075
Inventories	–	969
Debtors, prepayments and other assets	–	65,520
Tax recoverable	–	1,835
Restricted cash	–	5,482
Cash and cash equivalents	271	44,715
Lease liabilities	–	(527,439)
Creditors, accruals and other liabilities	(14)	(103,767)
Tax payable	–	(2,422)
Deferred tax liabilities	–	(16,987)
Non-controlling interests	–	(1,117)
	257	195,552
Release of cumulative exchange differences on translation of foreign operations	35,562	11,351
	35,819	206,903
Gain/(Loss) on disposal	(35,818)	342,679
	1	549,582
Satisfied by:		
Cash	1	489,099
Other receivables	–	60,483
	1	549,582

17. COMPARATIVE AMOUNTS

The comparative statement of profit or loss has been re-presented as if the operation discontinued during the current period had been discontinued at the beginning of the comparative period (Note 10).

BUSINESS REVIEW

Overview

The prolonged novel coronavirus (COVID-19) pandemic has severely impacted businesses and economies worldwide. 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 and joint ventures have operations. The businesses of the Group and its associates and joint ventures were affected by the pandemic.

Results for the Period

Pursuant to a resolution of the Board of Directors passed on 18 September 2020, the Company's financial year end date was changed from 31 March to 31 December. Accordingly, the current financial period covers a nine-month period from 1 April 2020 to 31 December 2020 (the "Period"), and the comparative figures cover a twelve-month period from 1 April 2019 to 31 March 2020 ("year ended 31 March 2020"), which may not be comparable with amounts shown for the Period.

Due to the prolonged COVID-19 pandemic, the operating environment of the Group and its associates and joint ventures was difficult and challenging. The Group recorded a consolidated loss attributable to shareholders of HK\$675 million for the Period, as compared to a consolidated loss of HK\$10 million for the year ended 31 March 2020. The loss was largely due to fair value losses on investment properties, operating loss due to COVID-19 pandemic and share of loss of joint ventures (which loss was mainly attributable to overall net fair value losses on investment properties and impairment losses on fixed assets) while partially offset by the gain on disposal by the Group of a joint venture and net fair value gain on financial instruments at fair value through profit or loss during the Period.

Various COVID-19 containment measures affected the food businesses of the Group during the Period. Coupled with the absence of contribution from the food court business which was disposed of in October 2019 and the impact of the restrictive measures under COVID-19, revenue from continuing operations for the Period dropped to HK\$573 million (year ended 31 March 2020 — HK\$925 million). Food businesses remain the principal sources of revenue of the Group, contributing to 78% (year ended 31 March 2020 — 85%) of total revenue from continuing operations for the Period.

In September 2020, a subsidiary of Hongkong Chinese Limited (“HKC”, together with its subsidiaries, the “HKC Group”) which in turn is a 73.95% listed subsidiary of the Company, disposed of its remaining 20% equity interest in The Macau Chinese Bank Limited (“MCB”) for an aggregate consideration of approximately MOP322 million (equivalent to approximately HK\$312 million) (the “Disposal”). After the Disposal, the Group ceased to carry on its banking business. Accordingly, the results of the banking business were classified as discontinued operation. Besides, the put option to sell its 20% interest to the majority shareholder of MCB (the “Put Option”) ceased to have effect upon the completion of the Disposal. The HKC Group recognised a gain on disposal of joint venture of HK\$182 million for the Period. After accounting for the fair value loss on derecognition of the Put Option of HK\$47 million, profit arising from the disposal of the joint venture amounted to HK\$135 million, of which the Group’s attributable share amounted to HK\$100 million. Together with the share of loss of MCB of HK\$0.3 million for the Period (year ended 31 March 2020 — HK\$5 million), the net profit of the banking business amounted to HK\$135 million for the Period (year ended 31 March 2020 — loss of HK\$7 million).

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 amounted to HK\$175 million for the Period (year ended 31 March 2020 — HK\$239 million).

Property investment

The total segment revenue for the Period amounted to HK\$66 million (year ended 31 March 2020 — HK\$95 million). Segment revenue was mainly attributable to recurrent rental income from the Group’s investment properties of HK\$20 million (year ended 31 March 2020 — HK\$34 million) and interest income from the loans to joint ventures of the Company of HK\$46 million (year ended 31 March 2020 — HK\$61 million). 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. 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 rental income for the Period dropped.

The Group recorded fair value losses on investment properties of HK\$45 million for the Period (year ended 31 March 2020 — HK\$82 million), which was mainly due to the downturn in the property market in Hong Kong. Besides, a provision of HK\$12 million (year ended 31 March 2020 — HK\$20 million) for impairment of certain properties located in Hong Kong was recorded during the Period. As a result, segment loss for the Period before accounting for the share of results from the Group’s joint ventures amounted to HK\$29 million (year ended 31 March 2020 — HK\$47 million).

Lippo ASM Asia Property Limited (“LAAPL”, together with its subsidiaries, the “LAAPL Group”) is a principal joint venture of HKC. LAAPL is the vehicle holding a controlling stake in OUE Limited (“OUE”, together with its subsidiaries, the “OUE Group”), a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and which is principally engaged in developing and managing assets across the commercial, hospitality, retail, residential and healthcare sectors. As at 31 December 2020, the LAAPL Group had an equity interest of approximately 70.11% in OUE.

In June 2020, the OUE Group completed the acquisition of plots of land with a total area of approximately 8,000 square metres located in the central business district in South Jakarta, Indonesia for a consideration of IDR1,316 billion (equivalent to approximately HK\$684 million). In September 2020, the OUE Group completed the disposal of U.S. Bank Tower in Los Angeles, California, the United States of America (“U.S.A.”) for a consideration of US\$430 million. Such disposal provided a good opportunity for the OUE Group to unlock capital and strengthened its liquidity and cash reserves to weather the current challenging economic environment.

OUE Commercial Real Estate Investment Trust (“OUE C-REIT”), a subsidiary of OUE, is one of the largest diversified REITs listed on the SGX-ST. The property portfolio of OUE C-REIT includes OUE Bayfront, One Raffles Place, OUE Downtown Office, Mandarin Orchard Singapore, the adjoining Mandarin Gallery and Crowne Plaza Changi Airport in Singapore as well as Lippo Plaza in Shanghai. Taking a long-term view of the relationship with its tenants in light of the ongoing pandemic, OUE C-REIT provided rental and other relief measures to its tenants. The committed occupancy of the office portfolio of OUE C-REIT in Singapore was approximately 94.1% as at 31 December 2020. Leasing demand was inhibited by weak economic outlook, business uncertainties and the containment measures imposed by the Singapore Government. Office operating performance is expected to remain resilient but the outlook for the retail sector is expected to remain weak. Leasing competition in Shanghai was intense due to significant new supply. However, the committed office occupancy of Lippo Plaza in Shanghai slightly improved to 86.5%. The performance of the hospitality segment of OUE C-REIT was adversely affected mainly due to an overall decline in room rates and occupancy and food and beverage sales arising from travel restrictions, social distancing and various containment measures imposed by the Singapore Government to curb the spread of pandemic. Several initiatives such as the rolling out of the SingapoRediscover vouchers and increasing the maximum number of physical attendees for MICE events, had been launched to stimulate domestic demand amid challenges faced by the hospitality sector. However, the occupancy of the hospitality segment is unlikely to return to pre-pandemic levels due to global travel restrictions. Accordingly, the hospitality segment is expected to face significant challenges in the near term. Mandarin Orchard Singapore will commence the phased asset enhancement works for adding new income generating spaces and refreshed food and beverage offerings as well as transformational re-branding to Hilton Singapore Orchard so as to tap on Hilton’s strong branding and global sales and distribution network for higher-yielding leisure and corporate travellers. In view of the challenging environment, various cost containment measures have been implemented across OUE C-REIT’s portfolio to manage operating expenditure. OUE C-REIT will continue to prioritise its efforts on tenant retention and seek alternative demand sources for its hospitality segment. In January 2021, OUE C-REIT announced the divestment of a 50% interest in OUE Bayfront. Such divestment will enable OUE C-REIT to realise the value of capital appreciation of the property over time and to increase its financial flexibility. The LAAPL Group held approximately 48.92% of the total number of OUE C-REIT units in issue as at 31 December 2020.

OUE Lippo Healthcare Limited (“OUELH”), listed on the sponsor-supervised listing platform (the “Catalist Board”) of the SGX-ST, provides high-quality and sustainable healthcare solutions through the acquisition, development, management, and operations of healthcare facilities. As at 31 December 2020, the OUE Group owned approximately 64.36% equity interest in OUELH. ITOCHU Corporation, a Tokyo Stock Exchange-listed trading company, also owned approximately 25.32% equity interest in OUELH as at 31 December 2020.

OUELH currently owns 12 quality nursing homes in Japan, from which it derives stable source of revenue. OUELH has been focused on improving and enhancing Wuxi Lippo Xi Nan Hospital’s operations, services and marketing efforts as well as refurbishment. OUELH further strengthened its presence in the PRC and deepened its partnership with China Merchants Group (“CMG”) with the signing of a long-term lease by a joint venture with CMG in December 2020 to operate an Obstetrics & Gynaecology Specialist Hospital in Changshu, Jiangsu Province. Due to COVID-19 pandemic, some delays are expected in the development of the Prince Bay International Hospital, another joint venture with CMG, in Shenzhen. The development is currently ongoing and when completed the international healthcare facility will play an important role in serving the healthcare needs of the vast population within the Greater Bay Area. With the recent military coup and subsequent state of emergency declared by Myanmar’s military junta in February 2021, the overall outlook for Myanmar is likely to be challenging. The hospitals operated by OUELH’s joint venture in Myanmar are still in operation despite the challenging environment. OUELH will continue to closely monitor the developments in Myanmar and their impact on its business operations, and have developed contingency plans to respond to the dynamic situation. Amid the ongoing COVID-19 that has affected many businesses globally, First Real Estate Investment Trust, the investee of OUELH, has granted rental reliefs to all its tenants in Singapore, Indonesia and South Korea, to alleviate the economic distress in such unprecedented times and recently embarked on a series of initiatives to restructure the master leases of 14 hospital assets in Indonesia and launched a rights issue to recapitalise its balance sheet.

The prolonged pandemic significantly affected the OUE Group’s operating performance across all its business divisions during the Period. The Group recorded a share of loss of joint ventures of HK\$958 million from its investment in LAAPL for the Period (year ended 31 March 2020 — share of profit of HK\$440 million). The loss was mainly resulted from overall net fair value losses on investment properties and impairment losses on fixed assets during the Period. Due to the appreciation of the Singapore dollar during the Period, the Group shared an increase in exchange reserve on translation of LAAPL’s investment of HK\$698 million. Besides, the Group recorded an increase in interest in LAAPL of HK\$158 million as a result of the share buyback of OUE during the Period. As a result, the Group’s total interests in LAAPL as at 31 December 2020 amounted to HK\$10.0 billion (31 March 2020 — HK\$10.0 billion).

Property development

The Group managed to sell part of the remaining properties at Lippo Plaza in Beijing, the PRC during the Period at a profit. The segment revenue was HK\$29 million (year ended 31 March 2020 — Nil). A foreign subgroup of the property development was disposed of during the Period and loss on disposal of subsidiaries of HK\$36 million was recorded. Such loss was largely due to the release of the cumulative translation loss from reserves to the statement of profit or loss. As a result, the segment recorded a loss of HK\$24 million for the Period (year ended 31 March 2020 — HK\$8 million) before accounting for the share of results from the Group's associates and joint ventures.

Sale of some of the remaining units of luxurious Marina Collection in Sentosa, Singapore (in which the Group has a 50% interest) was completed during the Period. A portion of the remaining units is leased out. The Group shared a profit of associate of HK\$7 million (year ended 31 March 2020 — HK\$25 million) from the investment.

Food businesses

The Group's food businesses segment recorded a revenue of HK\$446 million (year ended 31 March 2020 — HK\$785 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, the adverse impact of the prolonged COVID-19 pandemic on the Group's food businesses for the Period and the shorter reporting period due to the change of financial year end date. The food retail operations were subject to tight social distancing measures, seating restrictions, reduced dining hours and other restrictive policies. The customer traffic dropped significantly. In particular, the Chinese restaurant was affected significantly due to the cancellation of banquets and events under the restrictive policies of the local government during the COVID-19 pandemic. Other than launching different promotions and takeaway product activities, e-commerce business strategy has been implemented to drive takeaway and delivery sales through on-line delivery platforms. The local government's Anti-epidemic Fund and wage subsidies for Employment Support Scheme helped to offset some of these effects. The food manufacturing business in Malaysia under-performed during the Period as the factory is still in limited commercial operation due to various movement control orders in Malaysia during the outbreak of COVID-19. The food businesses segment reported a loss of HK\$23 million for the Period (year ended 31 March 2020 — profit of HK\$278 million, which included a gain on disposal of subsidiaries of HK\$343 million).

The Group will continue to focus on its food manufacturing business and food retail business. 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. In December 2020, the Group entered into franchise agreements with Chatexpress Pte. Ltd. (“Chatexpress”) which formally establish the franchise arrangements to enable the Group to use the know-hows from Chatexpress to expand the food retail business by opening restaurants under the brands of “Chatterbox Café” and “Chatterbox Express” in Hong Kong. The Group is also currently operating restaurants under the brands “alfafa” and “Delifrance”. The operation of Chatterbox Café and Chatterbox Express provided a new cuisine but leveraged on the Group’s existing expertise. The diversity places the Group in a stronger position for its development and growth strategy of its food retail business.

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 mainly including listed and unlisted equity securities, debt securities and investment funds. Treasury and securities investments businesses recorded a total revenue of HK\$19 million during the Period (year ended 31 March 2020 — HK\$33 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\$129 million for the Period (year ended 31 March 2020 — loss of HK\$159 million) under this segment. As a result, the treasury and securities investments businesses recorded a net profit of HK\$139 million in the statement of profit or loss for the Period (year ended 31 March 2020 — loss of HK\$131 million).

As at 31 December 2020, the treasury and securities investments portfolio of HK\$2,225 million (31 March 2020 — HK\$2,020 million) comprised mainly cash and bank balances of HK\$1,070 million (31 March 2020 — HK\$1,070 million), financial assets at fair value through profit or loss (“FVPL”) of HK\$1,047 million (31 March 2020 — HK\$842 million) and financial assets at fair value through other comprehensive income (“FVOCI”) of HK\$103 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 31 December 2020, the Group’s financial assets at FVPL amounted to HK\$1,047 million (31 March 2020 — HK\$842 million), comprising equity securities of HK\$558 million (31 March 2020 — HK\$431 million), debt securities of HK\$24 million (31 March 2020 — HK\$22 million) and investment funds of HK\$465 million (31 March 2020 — HK\$389 million).

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

	As at 31 December 2020			As at 31 March 2020	Nine months ended 31 December 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”)	85,730	8.2%	0.5%	93,250	(7,520)
Quantedge Global Fund (“Quantedge”)	70,314	6.7%	0.4%	45,373	23,822
PT Lippo Karawaci Tbk (“LPKR”)	59,701	5.7%	0.4%	–	15,683
Others (<i>Note</i>)	831,356	79.4%	5.1%	703,346	99,524
Total	1,047,101	100.0%	6.4%	841,969	131,509

Note: Others comprised of various securities, none of which accounted for more than 5% of financial assets at FVPL as at 31 December 2020.

GSH

As at 31 December 2020, the fair value of the Group’s equity securities in GSH amounted to HK\$86 million, representing approximately 8.2% and 0.5% of the Group’s total financial assets at FVPL and total assets, respectively. GSH, having its shares listed on the 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 was negatively impacted by COVID-19. Progress on construction for two residential development projects in Malaysia was affected by the various measures taken by the Malaysian Government to control the spread of COVID-19. Besides, due to the continued international border closures and varying restrictions or relaxation measures taken by the Malaysian Government to control COVID-19 pandemic, the financial performance of 2 hotels in Sabah owned and operated by GSH has also been negatively impacted. The share price performance of GSH was not satisfactory, resulting in an unrealised fair value loss of HK\$8 million recognised for the Period. The Group received dividend income of HK\$1 million from GSH 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 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, an unlisted investment fund, aims 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. As at 31 December 2020, the fair value of the Group's investment in Quantedge amounted to HK\$70 million, representing approximately 6.7% and 0.4% of the Group's total financial assets at FVPL and total assets, respectively. The Group reported a fair value gain of HK\$24 million for the Period, mainly contributed by global equities led by gains in U.S.A. technology stocks, coupled with the improvement in other assets class in commodities, fixed income and currencies.

LPKR

The Group reported an unrealised fair value gain of HK\$16 million for the Period since the acquisition of equity securities in LPKR in July 2020. As at 31 December 2020, the fair value of the Group's equity securities in LPKR amounted to HK\$60 million, representing approximately 5.7% and 0.4% of the Group's total financial assets at FVPL and total assets, respectively. LPKR, listed on the Indonesia Stock Exchange, is a leading integrated real estate company in Indonesia. The core business of LPKR comprises urban residential developments, lifestyle malls and healthcare. The share price performance of LPKR may fluctuate due to the volatile stock market.

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 31 December 2020, the fair value of such investments amounted to HK\$103 million (31 March 2020 — HK\$106 million). During the Period, unrealised fair value loss of HK\$7 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 approximately 75% of the Group's total financial assets at FVOCI as at 31 December 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\$77 million as at 31 December 2020, representing approximately 75% and 0.5% 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. Investment in eBroker gives the Group an opportunity to potentially achieve a medium to long-term capital gain from the Fintech industry. No distribution was made by eBroker. The Group had recorded unrealised fair value gain in prior years by reference to the latest round financing in early 2019. The Group reported a fair value loss of HK\$8 million for the Period.

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 December 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.

The introduction of circuit breaker measures by the Singapore Government during the first half of the year 2020 to curb the community transmission had resulted in drop in mobility. With more people staying at home, the patient volume for both the Primary Healthcare segment and Specialist Healthcare segment reduced accordingly. In addition, mandatory deferment of elective surgeries imposed by the Singapore Government as part of the circuit breaker measures further affected revenue for the Specialist Healthcare segment. Following the gradual relaxation in measures introduced by the Singapore Government in the second half of the year 2020 to manage the spread of COVID-19, the revenue of the HMC Group improved but the HMC Group still recorded a decrease in revenue for the Period. Due to lower business activities arising from COVID-19, the HMC Group recorded a reduction in costs and operating expenses. In addition, the HMC Group had also received government grants comprising job support scheme, wage credit and property tax rebates as part of the COVID-19 Stimulus Packages of the Singapore Government. As a result, the HMC Group registered a profit attributable to shareholders of approximately S\$3 million for the Period.

The Group's share of profit from the HMC Group amounted to HK\$7 million for the Period (year ended 31 March 2020 — share of loss of HK\$4 million). Including the effect of appreciation of Singapore dollar during the Period, the Group's interest in Healthway increased to HK\$431 million (31 March 2020 — HK\$394 million).

The HMC Group was awarded a government contract to manage three vaccination centres for COVID-19 vaccines. The HMC Group will continue to support the Singapore Government's range of initiatives, not only through vaccination efforts, but also through performing COVID-19 Polymerase Chain Reaction testing and serology testing. Anticipating an increase in business and individual travel, the HMC Group offers pre-departure tests ("PDT") at its 38 General Practitioner clinics, with digital PDT certificates issued to its patients.

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 (year ended 31 March 2020 — share of loss of HK\$38 million), mainly attributable to dividend income net off with fair value loss on investments at fair value through profit or loss. Including the effect of appreciation of Singapore dollar during the Period, the Group's interests in TIH as at 31 December 2020 increased to HK\$275 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. Depending on prevailing market conditions, TIH's investments in listed securities may fluctuate, affecting fair value valuations of its portfolio investments, which do not indicate a permanent increase or decline of the investment portfolio's valuation. TIH launched a new Asian active engagement fund, namely, Vasanta Fund, via a joint venture in May 2020 to focus on undervalued listed companies in Asia Pacific 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. The Delaware State Court issued a decision on the motion to dismiss in 2020, 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 and the Majority Investors will 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 alleged that the conduct of the Counterparties caused the Group to suffer loss, and accordingly seeks damages against the Counterparties for such losses. The Counterparties have filed a motion to dismiss the Counterclaim but the Group has opposed such motion. The Group continues to believe the Complaint is wholly frivolous and without basis.

Financial Position

The Group's financial position remained healthy. As at 31 December 2020, its total assets amounted to HK\$16.3 billion (31 March 2020 — HK\$16.2 billion). Property-related assets amounted to HK\$12.2 billion as at 31 December 2020 (31 March 2020 — HK\$12.2 billion), representing 74% (31 March 2020 — 75%) of the total assets. As at 31 December 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) amounted to HK\$1.3 billion (31 March 2020 — HK\$1.3 billion). Total liabilities amounted to HK\$2.7 billion (31 March 2020 — HK\$2.6 billion). Current ratio as at 31 December 2020 increased to 1.7 (31 March 2020 — 1.5) after the completion of re-financing of certain bank loans during the Period.

As at 31 December 2020, bank and other borrowings of the Group increased to HK\$1,966 million (31 March 2020 — HK\$1,940 million), which included bank borrowings of HK\$1,577 million (31 March 2020 — HK\$1,571 million), other loan of HK\$100 million (31 March 2020 — HK\$100 million) and unsecured notes of HK\$289 million (31 March 2020 — HK\$269 million).

As at 31 December 2020, the bank borrowings comprised secured bank loans of HK\$1,430 million (31 March 2020 — HK\$1,079 million), unsecured bank loans of HK\$145 million (31 March 2020 — HK\$492 million) and unsecured bank overdraft of HK\$2 million (31 March 2020 — Nil). The bank borrowings 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 and shares in 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 December 2020, approximately 4% (31 March 2020 — 3%) of the Group's bank borrowings effectively carried fixed rate of interest and the remaining were at floating rates. Other loan, denominated in Hong Kong dollars, was unsecured fixed rate loan from a holding company of the Company. The unsecured notes were unsecured, denominated in Singapore dollars, and carried interest at a rate of 2.25% per annum. Such unsecured notes were redeemed in February 2021. The Group purchased certain motor vehicles under hire purchase which were secured by the rights to the leased fixed assets. As at 31 December 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 31 December 2020, approximately 38% (31 March 2020 — 47%) of the bank and other borrowings were repayable within one year. As at 31 December 2020, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 16.0% (31 March 2020 — 15.9%). The Group does not expect any liquidity pressures under the prolonged COVID-19 pandemic.

The net asset value attributable to equity holders of the Company amounted to HK\$9.6 billion as at 31 December 2020 (31 March 2020 — HK\$9.5 billion). This was equivalent to HK\$19.5 per share as at 31 December 2020 (31 March 2020 — HK\$19.3 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 HK\$4 million as at 31 December 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 58% (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. As a lot of the equipment for the new food factory was purchased, total commitment as at 31 December 2020 decreased to HK\$57 million (31 March 2020 — HK\$105 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 987 full-time employees as at 31 December 2020 (31 March 2020 — 1,005 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Period amounted to HK\$246 million (year ended 31 March 2020 — HK\$413 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 started to recover but the strength of the recovery is projected to vary significantly across countries, depending on the development of the pandemic, progress of mass vaccination campaigns and the effectiveness of policy support to drive economic recovery. Evolving relations between the PRC and the U.S.A. and geopolitical tensions could weigh on the global trade and the global economic recovery. The Group and its associates and joint ventures remain cautious towards the outlook of their businesses. They will continue their efforts to mitigate the challenging operating environment and manage its financial resources prudently. They will also seek suitable business opportunities cautiously for long-term growth.

DIVIDENDS

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting to be held on Tuesday, 8 June 2021 (the "2021 AGM") the payment of a final dividend of HK3 cents per share (year ended 31 March 2020 — HK5 cents per share) amounting to approximately HK\$14.8 million for the nine months ended 31 December 2020 (year ended 31 March 2020 — approximately HK\$24.7 million). Together with the interim dividend of HK4 cents per share (For the six months ended 30 September 2019 — HK4 cents per share) paid in January 2021, total dividends for the nine months ended 31 December 2020 will be HK7 cents per share (year ended 31 March 2020 — HK9 cents per share) amounting to approximately HK\$34.5 million (year ended 31 March 2020 — approximately HK\$44.4 million). Subject to the approval of shareholders at the 2021 AGM, the final dividend will be paid on or about Wednesday, 30 June 2021 to shareholders whose names appear on the Register of Members on Thursday, 17 June 2021.

CLOSURE OF REGISTER OF MEMBERS

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

- (i) from Thursday, 3 June 2021 to Tuesday, 8 June 2021 (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 2021 AGM. In order to be entitled to attend and vote at the 2021 AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrar, Tricor Progressive Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 2 June 2021; and
- (ii) from Tuesday, 15 June 2021 to Thursday, 17 June 2021 (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. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrar, Tricor Progressive Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 11 June 2021.

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

During the nine months ended 31 December 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 nine months ended 31 December 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 Group for the nine months ended 31 December 2020.

AUDITOR’S PROCEDURES ON THIS PRELIMINARY ANNOUNCEMENT

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 nine months ended 31 December 2020 (the “Period”) 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 Period. 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 Limited

John Luen Wai Lee

Managing Director and Chief Executive Officer

Hong Kong, 30 March 2021

As at the date of this announcement, the Board of Directors of the Company comprises seven directors, of which Dr. Stephen Riady (Chairman) and Mr. John Luen Wai Lee (Managing Director and Chief Executive Officer) as executive Directors, Messrs. Jark Pui Lee and Leon Nim Leung Chan as non-executive Directors and Messrs. Edwin Neo, King Fai Tsui and Victor Ha Kuk Yung as independent non-executive Directors.