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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 JUNE 2021

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 June 2021 together with the comparative figures for the six months ended 30 September 2020 as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

		Unaudited Six months ended	
	Note	30 June 2021 HK\$'000	30 September 2020 HK\$'000
<b>Revenue</b>	4	<b>320,863</b>	325,190
Cost of sales		(156,154)	(145,003)
<b>Gross profit</b>		<b>164,709</b>	180,187
Other income	5	8,549	30,336
Administrative expenses		(175,667)	(185,362)
Other operating expenses	7	(72,768)	(68,937)
Net fair value gain on financial instruments at fair value through profit or loss	7	218,087	47,778
Fair value gain/(loss) on investment properties		7,600	(48,791)
Other losses — net	6	(16,491)	(13,218)
Finance costs		(15,754)	(17,748)
Share of results of associates		38,244	25,774
Share of results of joint ventures		(398)	(394)
<b>Profit/(Loss) before tax</b>	7	<b>156,111</b>	(50,375)
Income tax	8	(3,349)	(4,995)
<b>Profit/(Loss) for the period</b>		<b>152,762</b>	(55,370)
<b>Attributable to:</b>			
Equity holders of the Company		167,779	(37,603)
Non-controlling interests		(15,017)	(17,767)
		<b>152,762</b>	(55,370)
		<b>HK cents</b>	<b>HK cents</b>
<b>Earnings/(Loss) per share attributable to equity holders of the Company</b>	9		
Basic and diluted		<b>1.83</b>	(0.41)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 June</b>	<b>30 September</b>
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Profit/(Loss) for the period</b>	<b>152,762</b>	<b>(55,370)</b>
<b>Other comprehensive income/(loss)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>(3,539)</b>	24,664
Share of other comprehensive income/(loss) of associates	<b>(11,451)</b>	26,451
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax	<b>(14,990)</b>	51,115
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	<b>(61,199)</b>	163
Other comprehensive income/(loss) for the period, net of tax	<b>(76,189)</b>	51,278
<b>Total comprehensive income/(loss) for the period</b>	<b>76,573</b>	<b>(4,092)</b>
<b>Attributable to:</b>		
Equity holders of the Company	<b>97,669</b>	(2,490)
Non-controlling interests	<b>(21,096)</b>	(1,602)
	<b>76,573</b>	<b>(4,092)</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
<b>Non-current assets</b>			
Intangible assets		21,034	21,034
Exploration and evaluation assets		2,050	1,370
Fixed assets		1,079,052	1,097,645
Investment properties		682,034	673,670
Right-of-use assets		158,934	127,586
Interests in associates		788,386	767,809
Interests in joint ventures	11	74,764	74,477
Financial assets at fair value through other comprehensive income		40,718	102,896
Financial assets at fair value through profit or loss		549,484	468,796
Debtors, prepayments and other assets	12	10,651	10,615
Other financial asset		1,449	1,199
Deferred tax assets		3,163	4,815
		<u>3,411,719</u>	<u>3,351,912</u>
<b>Current assets</b>			
Inventories		15,826	15,839
Debtors, prepayments and other assets	12	158,172	188,848
Financial assets at fair value through profit or loss		620,268	564,304
Tax recoverable		1,622	2,698
Restricted cash		–	55,844
Time deposits with original maturity of more than three months		74,480	73,034
Cash and cash equivalents		689,916	996,714
		<u>1,560,284</u>	<u>1,897,281</u>
<b>Current liabilities</b>			
Bank and other borrowings		232,843	457,858
Lease liabilities		46,392	43,298
Creditors, accruals and other liabilities	13	209,812	272,312
Other financial liabilities		16,709	23,519
Tax payable		120,139	122,631
		<u>625,895</u>	<u>919,618</u>
<b>Net current assets</b>		<u>934,389</u>	<u>977,663</u>
<b>Total assets less current liabilities</b>		<u>4,346,108</u>	<u>4,329,575</u>

		<b>30 June 2021 HK\$'000 (Unaudited)</b>	<b>31 December 2020 HK\$'000 (Audited)</b>
	Note		
<b>Non-current liabilities</b>			
Bank and other borrowings		<b>657,927</b>	716,352
Lease liabilities		<b>120,578</b>	91,713
Creditors, accruals and other liabilities	13	<b>11,359</b>	9,418
Other financial liability		<b>745</b>	1,343
Deferred tax liabilities		<b>28,781</b>	28,606
		<b>819,390</b>	847,432
<b>Net assets</b>		<b>3,526,718</b>	3,482,143
<b>Equity</b>			
Equity attributable to equity holders of the Company			
Share capital		<b>1,705,907</b>	1,705,907
Reserves		<b>1,483,166</b>	1,417,651
		<b>3,189,073</b>	3,123,558
Non-controlling interests		<b>337,645</b>	358,585
		<b>3,526,718</b>	3,482,143

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 for the nine months ended 31 December 2020. The interim results have been reviewed by the audit committee of the Company.

Following the change of the Company’s financial year end date from 31 March to 31 December, the current financial period covers a six-month period from 1 January 2021 to 30 June 2021 while the comparison period covers a six-month period from 1 April 2020 to 30 September 2020.

The financial information relating to the nine months ended 31 December 2020 that is included in the interim results as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that period 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 nine months ended 31 December 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 accounting policies adopted in the preparation of the interim results are consistent with those used in the Group’s audited financial statements for the nine months ended 31 December 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations (hereinafter collectively referred to as the “revised HKFRSs”) for the first time for the current period’s interim results:

Amendments to HKFRS 9, HKAS 39,  
HKFRS 7, HKFRS 4 and HKFRS 16  
Amendment to HKFRS 16

*Interest Rate Benchmark Reform — Phase 2*

*Covid-19-Related Rent Concessions beyond 30 June 2021*  
(early adopted)

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

Amendment to HKFRS 16 issued in April 2021 extends the availability of the 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 by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021 and applied the practical expedient during the six months ended 30 June 2021 to all rent concessions granted by the lessors that affected only payments originally due on or before 30 June 2022 as a direct consequence of the COVID-19 pandemic. A reduction in the lease payments arising from the rent concessions of HK\$1,648,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the six months ended 30 June 2021.

Other than the Amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current financial period.

### **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 that are held for trading and for long-term strategic purposes;
- (d) the food businesses segment mainly includes food manufacturing and food retail operations in chains of cafés and bistros;
- (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, the provision of property, fund and investment management 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 June 2021

	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
<b>Revenue</b>								
External	8,799	1,230	10,291	293,704	–	6,839	–	320,863
Inter-segment	1,928	–	–	–	–	2,436	(4,364)	–
<b>Total</b>	<b>10,727</b>	<b>1,230</b>	<b>10,291</b>	<b>293,704</b>	<b>–</b>	<b>9,275</b>	<b>(4,364)</b>	<b>320,863</b>
<b>Segment results</b>	<b>7,019</b>	<b>1,230</b>	<b>210,499</b>	<b>(37,273)</b>	<b>(987)</b>	<b>(7,709)</b>	<b>(86)</b>	<b>172,693</b>
Unallocated corporate expenses								(45,258)
Finance costs								(9,170)
Share of results of associates	–	–	–	–	12,895	25,349	–	38,244
Share of results of joint ventures	–	–	–	(385)	–	(13)	–	(398)
<b>Profit before tax</b>								<b>156,111</b>
<b>Other segment information:</b>								
Capital expenditure <i>(Note)</i>	–	–	–	20,697	–	804	–	21,501
Depreciation	(8,643)	–	–	(41,905)	–	(141)	1,705	(48,984)
Interest income	–	1,230	–	974	–	119	–	2,323
Finance costs	–	–	–	(5,802)	–	(920)	138	(6,584)
Gain/(Loss) on disposal of:								
Subsidiaries	–	–	(3,886)	(140)	–	562	–	(3,464)
Fixed assets	–	–	–	198	–	(16)	–	182
Provisions for impairment losses on:								
A joint venture	–	–	–	–	(63)	–	–	(63)
Inventories	–	–	–	(1,369)	–	–	–	(1,369)
Loans and receivables	–	–	–	(349)	–	–	–	(349)
Net fair value gain on financial instruments at fair value through profit or loss	–	–	210,417	7,670	–	–	–	218,087
Fair value gain on investment properties	7,600	–	–	–	–	–	–	7,600
Unallocated:								
Capital expenditure <i>(Note)</i>								235
Depreciation								(5,065)
Finance costs								(9,170)
Loss on disposal of fixed assets								(1)

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
<b>Revenue</b>								
External	10,491	2,482	14,399	289,742	–	8,076	–	325,190
Inter-segment	1,305	–	–	–	–	1,959	(3,264)	–
<b>Total</b>	<u>11,796</u>	<u>2,482</u>	<u>14,399</u>	<u>289,742</u>	<u>–</u>	<u>10,035</u>	<u>(3,264)</u>	<u>325,190</u>
<b>Segment results</b>	<u>(60,561)</u>	<u>2,482</u>	<u>52,309</u>	<u>(3,516)</u>	<u>(1,344)</u>	<u>(5,595)</u>	<u>(456)</u>	<u>(16,681)</u>
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)
<b>Loss before tax</b>								<u>(50,375)</u>
<b>Other segment information:</b>								
Capital expenditure ( <i>Note</i> )	–	–	–	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 loss on investment properties	(48,791)	–	–	–	–	–	–	(48,791)
Unallocated:								
Capital expenditure ( <i>Note</i> )								32
Depreciation								(5,592)
Finance costs								(9,123)
Loss on disposal of fixed assets								(487)

*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
<b>At 30 June 2021 (unaudited)</b>								
<b>Segment assets</b>	<b>1,320,428</b>	<b>320,106</b>	<b>1,544,365</b>	<b>858,089</b>	<b>–</b>	<b>14,553</b>	<b>(10,863)</b>	<b>4,046,678</b>
Interests in associates	–	–	–	–	437,220	351,166	–	788,386
Interests in joint ventures	–	–	41,750	32,673	–	341	–	74,764
Unallocated assets								62,175
Total assets								<u>4,972,003</u>
<b>Segment liabilities</b>	<b>213,794</b>	<b>–</b>	<b>64,960</b>	<b>538,902</b>	<b>415,348</b>	<b>370,766</b>	<b>(1,042,033)</b>	<b>561,737</b>
Unallocated liabilities								883,548
Total liabilities								<u>1,445,285</u>
<b>At 31 December 2020 (audited)</b>								
<b>Segment assets</b>	<b>1,321,388</b>	<b>369,243</b>	<b>1,647,355</b>	<b>909,938</b>	<b>–</b>	<b>108,269</b>	<b>(15,686)</b>	<b>4,340,507</b>
Interests in associates	–	–	–	–	431,252	336,557	–	767,809
Interests in joint ventures	–	–	41,512	32,238	368	359	–	74,477
Unallocated assets								66,400
Total assets								<u>5,249,193</u>
<b>Segment liabilities</b>	<b>221,556</b>	<b>–</b>	<b>61,374</b>	<b>547,403</b>	<b>416,466</b>	<b>471,736</b>	<b>(858,913)</b>	<b>859,622</b>
Unallocated liabilities								907,428
Total liabilities								<u>1,767,050</u>

#### 4. REVENUE

An analysis of revenue is as follows:

	<b>Six months ended</b>	
	<b>30 June 2021 HK\$'000</b>	<b>30 September 2020 HK\$'000</b>
Revenue from contracts with customers:		
Sale of goods and fast-moving consumer products	<b>152,841</b>	166,298
Sale of food and beverage	<b>139,172</b>	119,706
Provision of management services	<b>6,250</b>	6,178
	<b>298,263</b>	292,182
Revenue from other sources:		
Property rental income from operating leases	<b>8,799</b>	10,491
Interest income	<b>2,204</b>	4,840
Dividend income	<b>10,291</b>	14,399
Other	<b>1,306</b>	3,278
	<b>320,863</b>	325,190

# **Disaggregated revenue information for revenue from contracts with customers**

<b>Segments</b>	<b>Food businesses HK\$'000</b>	<b>Other HK\$'000</b>	<b>Total HK\$'000</b>
<b>Six months ended 30 June 2021</b>			
Types of goods or services:			
Sale of goods and fast-moving consumer products	152,841	–	152,841
Sale of food and beverage	139,172	–	139,172
Provision of management services	–	6,250	6,250
Total revenue from contracts with customers	<u>292,013</u>	<u>6,250</u>	<u>298,263</u>
Geographical markets:			
Hong Kong	92,106	5,300	97,406
Mainland China	–	950	950
Republic of Singapore	199,907	–	199,907
Total revenue from contracts with customers	<u>292,013</u>	<u>6,250</u>	<u>298,263</u>
Timing of revenue recognition:			
Goods transferred at a point in time	292,013	–	292,013
Services transferred over time	–	6,250	6,250
Total revenue from contracts with customers	<u>292,013</u>	<u>6,250</u>	<u>298,263</u>
<b>Six months ended 30 September 2020</b>			
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	<u>286,004</u>	<u>6,178</u>	<u>292,182</u>
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	<u>286,004</u>	<u>6,178</u>	<u>292,182</u>
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	<u>286,004</u>	<u>6,178</u>	<u>292,182</u>

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

<b>Segments</b>	<b>Food businesses HK\$'000</b>	<b>Other HK\$'000</b>	<b>Total HK\$'000</b>
<b>Six months ended 30 June 2021</b>			
Revenue from contracts with customers			
External customers	<b>292,013</b>	<b>6,250</b>	<b>298,263</b>
Inter-segment	<b>—</b>	<b>2,436</b>	<b>2,436</b>
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<b>292,013</b>	<b>8,686</b>	<b>300,699</b>
Revenue from other sources — external	<b>1,691</b>	<b>589</b>	<b>2,280</b>
	<hr/>	<hr/>	<hr/>
Total segment revenue	<b>293,704</b>	<b>9,275</b>	<b>302,979</b>
	<hr/>	<hr/>	<hr/>
<b>Six months ended 30 September 2020</b>			
Revenue from contracts with customers			
External customers	286,004	6,178	292,182
Inter-segment	<b>—</b>	<b>1,959</b>	<b>1,959</b>
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	286,004	8,137	294,141
Revenue from other sources — external	3,738	1,898	5,636
	<hr/>	<hr/>	<hr/>
Total segment revenue	<b>289,742</b>	<b>10,035</b>	<b>299,777</b>
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## 5. OTHER INCOME

	<b>Six months ended</b>	
	<b>30 June 2021 HK\$'000</b>	<b>30 September 2020 HK\$'000</b>
Government grants ( <i>Note</i> )	<b>8,430</b>	29,937
Interest income from promissory note	<b>119</b>	399
	<hr/>	<hr/>
	<b>8,549</b>	<b>30,336</b>
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*Note:* Government grants mainly represent subsidies received in connection with the COVID-19 pandemic in Hong Kong and Singapore. There are no unfulfilled conditions or other contingencies attaching to these grants.

## 6. OTHER LOSSES — NET

	<b>Six months ended</b>	
	<b>30 June 2021 HK\$'000</b>	<b>30 September 2020 HK\$'000</b>
Gain/(Loss) on disposal of:		
Subsidiaries	<b>(3,464)</b>	—
Fixed assets	<b>181</b>	(515)
Provisions for impairment losses on:		
Fixed assets	—	(11,325)
A joint venture	<b>(63)</b>	—
Inventories	<b>(1,369)</b>	(1,725)
Loans and receivables	<b>(349)</b>	(334)
Foreign exchange gains/(losses) — net	<b>(11,427)</b>	681
	<hr/>	<hr/>
	<b>(16,491)</b>	<b>(13,218)</b>
	<hr/>	<hr/>

## 7. PROFIT/(LOSS) BEFORE TAX

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

	<b>Six months ended</b>	
	<b>30 June</b>	<b>30 September</b>
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
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	<b>121,927</b>	9,563
Investment funds	<b>(2,612)</b>	(17)
Other financial assets mandatorily classified at fair value through profit or loss:		
Debt securities	<b>540</b>	(250)
Investment funds	<b>90,203</b>	34,688
Equity linked notes	<b>437</b>	–
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	<b>(325)</b>	(815)
Derivative financial instruments	<b>7,917</b>	4,609
	<b>218,087</b>	47,778
Interest income:		
Loans and advances	<b>945</b>	3,170
Promissory note	<b>119</b>	399
Other	<b>1,259</b>	1,670
Depreciation of fixed assets	<b>(27,652)</b>	(25,012)
Depreciation of right-of-use assets	<b>(26,397)</b>	(29,144)
Cost of inventories sold	<b>(155,072)</b>	(144,223)
Selling and distribution expenses <sup>#</sup>	<b>(13,810)</b>	(12,722)
Legal and professional fees <sup>#</sup>	<b>(13,557)</b>	(12,347)
Consultancy and service fees <sup>#</sup>	<b>(10,534)</b>	(12,935)
Utilities charges <sup>#</sup>	<b>(5,517)</b>	(5,051)
Repairs and maintenance expenses <sup>#</sup>	<b>(3,883)</b>	(4,071)

<sup>#</sup> The amounts are included in “Other operating expenses” in the condensed consolidated statement of profit or loss.

## 8. INCOME TAX

	<b>Six months ended</b>	
	<b>30 June</b>	<b>30 September</b>
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong:		
Charge for the period	<b>280</b>	1,635
Deferred	<b>(337)</b>	(464)
	<b>(57)</b>	1,171
Mainland China and overseas:		
Charge for the period	<b>1,839</b>	6,050
Overprovision in prior periods	<b>–</b>	(16)
Deferred	<b>1,567</b>	(2,210)
	<b>3,406</b>	3,824
Total charge for the period	<b>3,349</b>	4,995

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (six months ended 30 September 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 at the rates of 25% and 17% (six months ended 30 September 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.

## 9. 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 attributable to equity holders of the Company; and (ii) the weighted average number of approximately 9,186,913,000 ordinary shares (six months ended 30 September 2020 — approximately 9,186,913,000 ordinary shares) in issue during the period.

### (b) Diluted earnings/(loss) per share

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2021 and 30 September 2020.

## 10. INTERIM DIVIDEND

	Six months ended	
	30 June 2021 HK\$'000	30 September 2020 HK\$'000
Interim dividend, declared — Nil		
(six months ended 30 September 2020 — HK0.2 cent per ordinary share)	—	18,374

## 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. 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 filed a motion to dismiss the Counterclaim. In July 2021, the Delaware State Court issued its decision on the motion to dismiss the Counterclaim filed by the Counterparties. In the decision, the Delaware State Court granted the motion to dismiss, in part, resulting in certain counts of the Counterclaim being dismissed, and partly denied the motion, resulting in the remaining counts of the Counterclaim being continued. Importantly, with respect to the counts of the Counterclaim that were dismissed, the Delaware State Court specifically ruled that the Group may present evidence of the Counterparties' alleged misconduct to defend against or set off any potential damages that may arise from the claims asserted against the Group, including that any harm suffered by the Counterparties was caused by their own wrongdoing. Under the Delaware State Court rules, the Counterparties must formally answer the Counterclaim. The Group continues to believe the Complaint is wholly frivolous and without basis.

## 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:

	<b>30 June 2021 HK\$'000</b>	<b>31 December 2020 HK\$'000</b>
Outstanding balances with ages:		
Within 30 days	<b>37,967</b>	33,336
Between 31 and 60 days	<b>18,898</b>	24,489
Between 61 and 90 days	<b>12,102</b>	15,904
Between 91 and 180 days	<b>4,258</b>	1,813
	<hr/>	<hr/>
	<b>73,225</b>	75,542
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## 13. CREDITORS, ACCRUALS AND OTHER LIABILITIES

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

	<b>30 June 2021 HK\$'000</b>	<b>31 December 2020 HK\$'000</b>
Outstanding balances with ages:		
Within 30 days	<b>30,688</b>	30,470
Between 31 and 60 days	<b>6,886</b>	8,527
Between 61 and 90 days	<b>1,806</b>	1,061
Between 91 and 180 days	<b>1,264</b>	1,097
Over 180 days	<b>2,470</b>	2,545
	<hr/>	<hr/>
	<b>43,114</b>	43,700
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## **BUSINESS REVIEW**

### **Overview**

Following last year's recession due to the novel coronavirus (COVID-19) pandemic, the global economy, supported by the vaccine rollout and stimulus measures, is experiencing a recovery. Most of the stock markets are now well above pre-pandemic levels. However, recovery remains uneven. Resurgences of new COVID-19 cases continue to hinder the recovery across many emerging economies. Various COVID-19 containment measures such as travel restrictions and social distancing measures are still implemented in the places at which the Group and its associates have operations. The operating environment of the Group and its associates continued to be affected by the COVID-19 pandemic during the period under review.

### **Results for the Period**

Following the change of the Company's financial year end date from 31 March to 31 December, the current financial period covers a six-month period from 1 January 2021 to 30 June 2021 (the "Period") while the comparison period covers a six-month period from 1 April 2020 to 30 September 2020 (the "Last Period" or "2020").

Amid the challenging operating environment under the ongoing COVID-19 pandemic, the Group recorded a consolidated profit attributable to shareholders of HK\$168 million for the Period, as compared to a consolidated loss of HK\$38 million for the Last Period. The profit was largely attributable to the net fair value gain on financial instruments at fair value through profit or loss during the Period.

The food businesses of the Group continued to be affected by various COVID-19 containment measures during the Period. Revenue for the Period amounted to HK\$321 million (2020 — HK\$325 million). Food businesses remain the principal sources of revenue of the Group, contributing to 92% (2020 — 89%) 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 amounted to HK\$73 million for the Period (2020 — HK\$69 million).



### ***Food businesses***

The Group's food businesses segment recorded a revenue of HK\$294 million (2020 — HK\$290 million), mainly from food manufacturing and food retail operations in chains of cafés and bistros. The food retail operations were still subject to tight social distancing measures, seating restrictions, reduced dining hours and other restrictive policies. The customer traffic was affected. To combat a rise in COVID-19 cases, Singapore had moved into Phase 2 (Heightened Alert) from 16 May 2021 to 13 June 2021 (the "Heightened Alert Period"). Social gatherings were restricted and work-from-home was the default for workplace. Dining-in was not allowed and only takeaway and delivery were allowed for food and beverage operators during the Heightened Alert Period. On the other hand, the traffic in Hong Kong started to pick up in May 2021 after recording a long period of zero local community confirmed COVID-19 cases. Among all, the Chinese restaurant was still affected significantly due to the cancellation of banquets and events under the restrictive policies of the local government during the COVID-19 pandemic. To tackle the challenges during the pandemic, the Group had launched different promotions and takeaway product activities. The takeaway and delivery sales through on-line delivery platforms helped the Group to boost its sales revenue during the Period. The Hong Kong Government's Anti-epidemic Fund and the Singapore's Jobs Support Scheme as well as the introduction of Singapore Government Cash Payout (2021 Rental Support Scheme) for qualifying tenants for no dining-in during the Heightened Alert Period helped to offset some of these effects. The food manufacturing business was affected by the COVID-19 pandemic as the factory in Malaysia is still in limited commercial operation due to various movement control orders. The segment loss increased to HK\$37 million for the Period (2020 — HK\$4 million) as fewer support measures in relation to the COVID-19 pandemic were provided by governments during the Period.

The Group will continue to focus on its food manufacturing business and food retail business. The Group is currently operating restaurants under the brands "Chatterbox Café", "Chatterbox Express", "alfafa", "Delifrance" and "Maxx Coffee". A new master franchise agreement was entered into by the Group during the Period to enable the Group to continue the operation of the restaurants and cafés under the brand of "Delifrance" in Singapore and Hong Kong.

### ***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. Due to the downturn in the economy, the rental income dropped for the Period. The total segment revenue for the Period amounted to HK\$11 million (2020 — HK\$12 million).

The Group recorded fair value gain on investment properties of HK\$8 million for the Period (2020 — loss of HK\$49 million). Coupled with the absence of the provision of HK\$11 million for impairment of certain properties located in Hong Kong during the Last Period, the property investment segment reported a profit of HK\$7 million for the Period (2020 — loss of HK\$61 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 mainly including listed and unlisted equity securities, debt securities and investment funds. Treasury and securities investments businesses recorded a total revenue of HK\$12 million during the Period (2020 — HK\$17 million). The Group recorded a net fair value gain in the statement of profit or loss from its securities investments of HK\$210 million for the Period (2020 — HK\$42 million) under this segment, mainly from listed equity securities held for trading and investment funds held for long-term strategic purposes. As a result, the treasury and securities investments businesses recorded a net profit of HK\$212 million in the statement of profit or loss for the Period (2020 — HK\$55 million).

During the Period, a subsidiary of the Company had redeemed 650,000 units in Lippo Select HK & Mainland Property ETF (the "ETF"), an exchange traded fund listed on The Stock Exchange of Hong Kong Limited, at an aggregate gross cash consideration of approximately HK\$53 million. The Group holds a majority stake in the ETF.

As at 30 June 2021, the treasury and securities investments portfolio of HK\$1,864 million (31 December 2020 — HK\$2,017 million), comprised mainly cash and bank balances of HK\$637 million (31 December 2020 — HK\$876 million), financial assets at fair value through profit or loss ("FVPL") of HK\$1,170 million (31 December 2020 — HK\$1,033 million) and financial assets at fair value through other comprehensive income ("FVOCI") of HK\$41 million (31 December 2020 — HK\$103 million). Further details of securities investments under different categories are as follows:

### *Financial assets at fair value through profit or loss*

As of 30 June 2021, the Group's financial assets at FVPL amounted to HK\$1,170 million (31 December 2020 — HK\$1,033 million), comprising equity securities of HK\$604 million (31 December 2020 — HK\$549 million), debt securities of HK\$22 million (31 December 2020 — HK\$21 million) and investment funds of HK\$544 million (31 December 2020 — HK\$463 million).

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

	As at 30 June 2021			As at 31 December 2020	Six months ended 30 June 2021
	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
Quantedge Global Fund ("Quantedge")	85,025	7.3%	1.7%	70,314	14,955
GSH Corporation Limited ("GSH")	84,376	7.2%	1.7%	85,730	(1,354)
FinVolution Group ("FinVolution")	73,037	6.2%	1.5%	40,482	92,891
Others ( <i>Note</i> )	927,314	79.3%	18.6%	836,574	104,003
Total	<u>1,169,752</u>	<u>100.0%</u>	<u>23.5%</u>	<u>1,033,100</u>	<u>210,495</u>

*Note:* Others comprised of various securities, none of which accounted for more than 5% of financial assets at FVPL as at 30 June 2021.

## Quantedge

As at 30 June 2021, the fair value of the Group's investment in Quantedge amounted to HK\$85 million, representing approximately 7.3% and 1.7% of the Group's total financial assets at FVPL and total assets respectively. 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 is an unlisted investment fund which 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. Quantedge reported positive returns for the Period, mainly benefited from gains in the equities and commodities market, offset by losses in the fixed income portfolio. As a result, the Group shared a fair value gain of HK\$15 million from the investment for the Period.

## GSH

As at 30 June 2021, the fair value of the Group's equity securities in GSH amounted to HK\$84 million, representing approximately 7.2% and 1.7% of the Group's total financial assets at FVPL and total assets respectively. An unrealised fair value loss of HK\$1 million was recognised by the Group for the Period. GSH, having its shares listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), is a property developer in Asia with 5 properties under development in Malaysia and mainland China. It also owns and operates the Sutera Harbour Resort in Kota Kinabalu, comprising 2 five-star hotels, a 104-berth marina and a 27-hole championship golf course, and the idyllic Sutera@Mantanani Resort on the Mantanani Islands in Sabah. The business operation of GSH was affected by the COVID-19 pandemic. 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.

## FinVolution

The Group invested in American Depositary Shares of FinVolution ("ADSs"), which are listed on the New York Stock Exchange. As at 30 June 2021, the carrying amount of the investment amounted to HK\$73 million, representing approximately 6.2% and 1.5% of the Group's total financial assets at FVPL and total assets respectively. FinVolution has successfully evolved its business model from peer-to-peer lending to a fintech platform in mainland China that connects individual borrowers with financial institutions in recent years. FinVolution's performance continued to be strong and the share price increased substantially during the Period. The Group took this chance to dispose of a portion of the ADSs for an aggregate consideration of approximately HK\$60 million, before expenses. Together with the unrealised fair value gain of the remaining ADSs held by the Group, the Group recorded a fair value gain of HK\$93 million for the Period. As mainland China has imposed a number of restrictions and control on fintech industry recently, the Group will continue to monitor its remaining investment in the ADSs.

### *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 June 2021, the fair value of such investments amounted to HK\$41 million (31 December 2020 — HK\$103 million). During the Period, net fair value loss of HK\$61 million was recognised in other comprehensive income from these investments. Such fair value loss was mainly attributable to the unrealised fair value loss on the Group's investments in eBroker Holding Limited ("eBroker").

eBroker is a company established in Shanghai, the People's Republic of China and its core business is the facilitation of financial and insurance services among wealthy individuals, financial institutions and insurance issuers overseas via its online wealth management platform. The carrying amount of total investments in eBroker amounted to HK\$17 million as at 30 June 2021, representing approximately 41% and 0.3% of the Group's total financial assets at FVOCI and total assets respectively. The Group invested approximately HK\$7.6 million in eBroker. Before accounting for the fair value loss for the Period, the Group had recorded unrealised fair value gain in prior years in an amount of approximately HK\$70 million by reference to eBroker's latest round financing in early 2019. Given the challenges amid stricter regulatory environment in mainland China, the fair value as at 30 June 2021 was estimated based on a higher probability that the Group's investment in eBroker will be redeemed. As a result, the Group recorded an unrealised fair value loss of HK\$61 million through other comprehensive income for the Period. Such unrealised fair value loss is a non-cash item and would not affect the cashflow of the Group.

### *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 June 2021, the Group was interested in approximately 40.83% 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 clinics and medical centres in Singapore.

The HMC Group recorded a significant increase in revenue for the Period. Such increase was mainly due to the recovery in patient volume in the Primary Healthcare Segment and the pent up demand in the Specialist Healthcare Segment as compared with the last corresponding period in 2020 when circuit breaker was implemented in Singapore. The revenue for the Period was further complemented by revenue from vaccination centres, COVID-19 Polymerase Chain Reaction ("PCR") and serology testing projects. The HMC Group registered a profit attributable to shareholders of approximately S\$5 million for the Period. As a result, the Group recognised a share of profit from the HMC Group of HK\$13 million for the Period (2020 — share of loss of HK\$0.2 million). As at 30 June 2021, the Group's interest in Healthway amounted to HK\$437 million (31 December 2020 — HK\$431 million).

To support the Singapore Government's efforts in achieving high inoculation rates, the HMC Group remains committed to safely administering the vaccines and reaching out to vulnerable segments of the community through its vaccination centres and mobile vaccination teams. The HMC Group continues to perform COVID-19 PCR, serology and antigen rapid testing, as testing is another key pillar in the Singapore Government's efforts to curtail the transmission of COVID-19. In preparing for the opening up of borders for business and leisure travel, the HMC Group currently offers pre-departure tests ("PDT") at its 33 General Practitioner clinics, and issues digital PDT certificates. The HMC Group continues to expand its network of clinics and services, with the opening of a new health screening centre as well as a dental clinic in July 2021.

### ***Other businesses***

#### ***TIH***

The Group recorded a share of profit of HK\$26 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 (2020 — HK\$25 million), mainly attributable to fair value gain on its equity investments. The Group's interests in TIH as at 30 June 2021 increased to HK\$291 million (31 December 2020 — HK\$275 million).

To achieve long-term growth and provide a steady stream of returns to shareholders, TIH seeks long-term strategic investment opportunities in special situations, corporates deleveraging and non-core secondary assets at attractive valuations. TIH will actively apply its in-depth knowledge of corporate finance and tap on its strong network of partnerships in Southeast Asia and Greater China to gain access to venture capital investments and long-term investment opportunities. TIH's wholly-owned subsidiary, TIH Investment Management Pte. Ltd., which holds a Capital Markets Services License from the Monetary Authority of Singapore, continues to actively seek opportunities for recurring fee-based income from managing third party investment funds.

### **Financial Position**

The Group's financial position remained healthy. As at 30 June 2021, its total assets amounted to HK\$5.0 billion (31 December 2020 — HK\$5.2 billion). Total liabilities decreased to HK\$1.4 billion (31 December 2020 — HK\$1.8 billion). As at 30 June 2021, total cash and cash equivalents and time deposits amounted to HK\$764 million (31 December 2020 — HK\$1,070 million). Current ratio as at 30 June 2021 increased to 2.5 (31 December 2020 — 2.1).

As at 30 June 2021, bank and other borrowings of the Group amounted to HK\$891 million (31 December 2020 — HK\$1,174 million), which included bank borrowings of HK\$891 million (31 December 2020 — HK\$885 million). As at 31 December 2020, the balance also included unsecured notes of HK\$289 million which were fully redeemed in February 2021.



As at 30 June 2021, bank borrowings comprised secured bank loans of HK\$891 million (31 December 2020 — HK\$883 million). The balance as at 31 December 2020 also included unsecured bank overdraft of HK\$2 million. 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 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 June 2021, approximately 6% (31 December 2020 — 7%) of the Group's bank borrowings effectively carried fixed rate of interest and the remaining were at floating rates.

As at 30 June 2021, approximately 26% (31 December 2020 — 39%) of the bank and other borrowings were repayable within one year. As at 30 June 2021, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 24.0% (31 December 2020 — 33.2%). 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\$3.2 billion as at 30 June 2021 (31 December 2020 — HK\$3.1 billion). This was equivalent to HK\$0.35 per share as at 30 June 2021 (31 December 2020 — HK\$0.34 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, swaps and currency loans would be used to manage the foreign exchange exposure.

The Group had bankers' guarantees issued in lieu of rental and utility deposits for the premises used for operation of food businesses. As at 30 June 2021, the Group has secured bankers' guarantees of HK\$1 million (31 December 2020 — HK\$2 million) and unsecured bankers' guarantees of HK\$3 million (31 December 2020 — HK\$2 million). The secured bankers' guarantees were secured by corporate guarantees from the shareholders of a subsidiary and certain assets of the Group. 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 December 2020 — Nil).

Total commitment of the Group as at 30 June 2021 amounted to HK\$55 million (31 December 2020 — HK\$57 million), which are mainly related to the securities investments and the food businesses. 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 893 full-time employees as at 30 June 2021 (30 September 2020 — 964 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Period amounted to HK\$140 million (2020 — HK\$150 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 vaccine rollout is a main driver of the economic recovery and relaxation of lockdown and other containment measures worldwide. In particular, Singapore is looking at easing travel restrictions from September 2021 when its full vaccination coverage reaches a desired high level. However, the Group and its associates will remain vigilant as the spread of more infectious COVID-19 variants in many places of the world continues to cast uncertainty over the global economic outlook. Other risk factors such as the rising China-US tensions and the evolving monetary policy stance of major central banks also warrant attention. The Group and its associates will continue to monitor and adapt to any changes to the operating environment while exercising prudence in managing their financial resources and expenditure.

## **INTERIM DIVIDEND**

The Directors have resolved not to declare payment of any interim dividend for the six months ended 30 June 2021 (2020 — HK0.2 cent per share).

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

During the six months ended 30 June 2021, 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 June 2021.

## **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 June 2021.

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

Hong Kong, 30 August 2021

*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.*