

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



LIPPO CHINA RESOURCES LIMITED

力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 156)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of Lippo China Resources Limited (the “Company”) are pleased to announce the consolidated final results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2021 together with the comparative figures for the nine months ended 31 December 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	Note	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
Revenue	4	648,547	491,697
Cost of sales		(316,559)	(225,887)
Gross profit		331,988	265,810
Other income	5	12,081	45,902
Administrative expenses		(392,385)	(272,885)
Other operating expenses	7	(149,621)	(140,420)
Net fair value gain on financial instruments at fair value through profit or loss	7	226,157	131,776
Net fair value loss on investment properties		(6,778)	(61,387)
Other losses — net	6	(3,101)	(17,394)
Finance costs		(30,246)	(28,445)
Share of results of associates		50,230	33,558
Share of results of joint ventures		(415)	(202)
Profit/(Loss) before tax	7	37,910	(43,687)
Income tax	8	1,091	909
Profit/(Loss) for the year/period		39,001	(42,778)
Attributable to:			
Equity holders of the Company		48,665	(11,630)
Non-controlling interests		(9,664)	(31,148)
		39,001	(42,778)
		HK cents	HK cents
Earnings/(Loss) per share attributable to equity holders of the Company	9		
Basic and diluted		0.53	(0.13)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
Profit/(Loss) for the year/period	39,001	(42,778)
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	9,103	48,454
Exchange differences reclassified to profit or loss upon:		
Disposal of foreign subsidiaries	(3,944)	-
Liquidation of foreign operations	(65)	1,907
Derecognition of a foreign associate	(144)	-
Deemed disposal of a foreign associate	-	(32)
Share of other comprehensive income/(loss) of associates	(10,230)	48,938
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax	(5,280)	99,267
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	(52,349)	(6,786)
Gain on property revaluation	2,605	-
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods, net of tax	(49,744)	(6,786)
Other comprehensive income/(loss) for the year/period, net of tax	(55,024)	92,481
Total comprehensive income/(loss) for the year/period	(16,023)	49,703
Attributable to:		
Equity holders of the Company	(5,479)	50,927
Non-controlling interests	(10,544)	(1,224)
	(16,023)	49,703

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

		31 December 2021 HK\$'000	31 December 2020 HK\$'000
	Note		
Non-current assets			
Intangible assets		21,034	21,034
Exploration and evaluation assets		2,647	1,370
Fixed assets		1,052,732	1,097,645
Investment properties		685,704	673,670
Right-of-use assets		156,203	127,586
Interests in associates		784,932	767,809
Interests in joint ventures	11	75,674	74,477
Financial assets at fair value through other comprehensive income		78,547	102,896
Financial assets at fair value through profit or loss		655,427	468,796
Debtors, prepayments and other assets	12	12,025	10,615
Other financial asset		1,504	1,199
Deferred tax assets		4,225	4,815
		3,530,654	3,351,912
Current assets			
Inventories		18,697	15,839
Debtors, prepayments and other assets	12	120,878	188,848
Financial assets at fair value through profit or loss		474,019	564,304
Tax recoverable		753	2,698
Restricted cash		-	55,844
Time deposits with original maturity of more than three months		76,425	73,034
Cash and cash equivalents		783,321	996,714
		1,474,093	1,897,281
Current liabilities			
Bank and other borrowings		337,144	457,858
Lease liabilities		54,776	43,298
Creditors, accruals and other liabilities	13	223,661	272,312
Other financial liabilities		9,824	23,519
Tax payable		117,401	122,631
		742,806	919,618
Net current assets		731,287	977,663
Total assets less current liabilities		4,261,941	4,329,575

		31 December 2021 HK\$'000	31 December 2020 HK\$'000
	Note		
Non-current liabilities			
Bank and other borrowings		651,448	716,352
Lease liabilities		111,360	91,713
Creditors, accruals and other liabilities	13	10,698	9,418
Other financial liability		-	1,343
Deferred tax liabilities		26,470	28,606
		799,976	847,432
Net assets		3,461,965	3,482,143
Equity			
Equity attributable to equity holders of the Company			
Share capital		1,705,907	1,705,907
Reserves		1,372,433	1,417,651
		3,078,340	3,123,558
Non-controlling interests		383,625	358,585
		3,461,965	3,482,143

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.

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

The unaudited financial information relating to the year ended 31 December 2021 and the financial information relating to the nine months ended 31 December 2020 included in this preliminary announcement of final results for the year ended 31 December 2021 does not constitute the Company’s statutory annual consolidated financial statements for those year/period but, in respect of the nine months ended 31 December 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 year ended 31 December 2021 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 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 the financial statements of the Group for the nine months ended 31 December 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.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the final 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 HKFRSs for the first time for the current year’s final results:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, *Interest Rate Benchmark Reform — Phase 2*
HKFRS 4 and HKFRS 16

Amendment to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*
(early adopted)

The nature and the impact of the revised HKFRSs are described below:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy.

The Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars based on the Hong Kong Interbank Offered Rate (“HIBOR”) and Singapore dollars based on the Singapore Swap Offer Rate (“SOR”) as at 31 December 2021. The Group expects that HIBOR will continue to exist and the interest rate benchmark reform has not had an impact on the Group’s HIBOR-based borrowings. For the SOR-based borrowings, since the interest rates of these instruments were not replaced by RFRs during the year, the amendments did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply the above-mentioned practical expedient upon the modification of these instruments provided that the “economically equivalent” criterion is met.

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 year ended 31 December 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\$5,506,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the year ended 31 December 2021. There was no impact on the opening balance of equity as at 1 January 2021.

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.

Year ended 31 December 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
Revenue								
External	18,517	2,378	16,751	596,476	-	14,425	-	648,547
Inter-segment	3,857	-	-	-	-	10,674	(14,531)	-
Total	22,374	2,378	16,751	596,476	-	25,099	(14,531)	648,547
Segment results	(7,107)	2,378	212,688	(66,578)	(1,908)	(9,062)	(199)	130,212
Unallocated corporate expenses								(123,655)
Finance costs								(18,462)
Share of results of associates	-	-	-	-	25,425	24,805	-	50,230
Share of results of joint ventures	-	-	-	(396)	-	(19)	-	(415)
Profit before tax								37,910
Segment assets	1,303,411	308,945	1,638,259	839,196	-	17,554	(14,297)	4,093,068
Interests in associates	-	-	-	-	442,843	342,089	-	784,932
Interests in joint ventures	-	-	41,744	33,595	-	335	-	75,674
Unallocated assets								51,073
Total assets								5,004,747
Segment liabilities	213,653	-	57,670	494,357	418,381	367,239	(1,038,673)	512,627
Unallocated liabilities								1,030,155
Total liabilities								1,542,782
Other segment information:								
Capital expenditure (<i>Note</i>)	-	-	-	38,607	-	1,428	-	40,035
Depreciation	(17,150)	-	-	(90,869)	-	(230)	3,410	(104,839)
Interest income	-	2,378	-	1,953	-	119	-	4,450
Finance costs	-	-	-	(11,117)	-	(915)	248	(11,784)
Gain/(Loss) on disposal of:								
Subsidiaries	-	-	(3,884)	13,442	-	561	-	10,119
Fixed assets	-	-	-	150	-	(15)	-	135
Gain on derecognition of an associate	-	-	-	-	-	4,788	-	4,788
Write-back of provisions/(Provisions) for impairment losses on:								
Fixed assets	-	-	-	428	-	-	-	428
Joint ventures	-	-	-	-	(63)	(323)	-	(386)
Inventories	-	-	-	(2,608)	-	-	-	(2,608)
Loans and receivables	-	-	-	457	-	-	-	457
Fixed assets written off	-	-	-	(2,643)	-	-	-	(2,643)
Net fair value gain on financial instruments at fair value through profit or loss	-	-	218,060	8,097	-	-	-	226,157
Net fair value loss on investment properties	(6,778)	-	-	-	-	-	-	(6,778)
Unallocated:								
Capital expenditure (<i>Note</i>)								247
Depreciation								(10,073)
Finance costs								(18,462)
Loss on disposal of fixed assets								(6)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations								65

Nine months ended 31 December 2020

	Property investment HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Food businesses HK\$'000	Healthcare services HK\$'000	Other HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
Revenue								
External	14,937	3,187	15,848	446,018	-	11,707	-	491,697
Inter-segment	2,269	-	-	-	-	6,070	(8,339)	-
Total	17,206	3,187	15,848	446,018	-	17,777	(8,339)	491,697
Segment results	(75,278)	3,187	135,298	(22,939)	(2,025)	(8,122)	(490)	29,631
Unallocated corporate expenses								(92,549)
Finance costs								(14,125)
Share of results of associates	-	-	-	-	7,002	26,556	-	33,558
Share of results of joint ventures	-	-	-	(196)	-	(6)	-	(202)
Loss before tax								(43,687)
Segment assets	1,321,388	369,243	1,647,355	909,938	-	108,269	(15,686)	4,340,507
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								5,249,193
Segment liabilities	221,556	-	61,374	547,403	416,466	471,736	(858,913)	859,622
Unallocated liabilities								907,428
Total liabilities								1,767,050
Other segment information:								
Capital expenditure (<i>Note</i>)	4	-	-	63,866	-	461	-	64,331
Depreciation	(13,228)	-	-	(61,905)	-	(662)	2,254	(73,541)
Interest income	-	3,187	-	1,911	-	1,598	-	6,696
Finance costs	-	-	-	(10,271)	-	(4,709)	660	(14,320)
Loss on disposal of fixed assets	-	-	-	(34)	-	-	-	(34)
Gain on deemed disposal of an associate	-	-	-	-	-	195	-	195
Provisions for impairment losses on:								
Fixed assets	(12,238)	-	-	-	-	-	-	(12,238)
Joint ventures	-	-	-	-	(212)	(980)	-	(1,192)
Inventories	-	-	-	(2,409)	-	-	-	(2,409)
Loans and receivables	-	-	-	(507)	-	-	-	(507)
Realised translation losses reclassified to the statement of profit or loss relating to liquidation of foreign operations	-	-	-	(1,503)	-	(404)	-	(1,907)
Net fair value gain on financial instruments at fair value through profit or loss	-	-	128,360	3,416	-	-	-	131,776
Net fair value loss on investment properties	(61,387)	-	-	-	-	-	-	(61,387)
Unallocated:								
Capital expenditure (<i>Note</i>)								142
Depreciation								(8,180)
Finance costs								(14,125)
Loss on disposal of fixed assets								(712)

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

Geographical information

(a) Revenue from external customers

	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
Hong Kong	238,208	161,082
Mainland China	8,450	6,776
Republic of Singapore	391,981	315,515
Malaysia	1,006	-
Other	8,902	8,324
	<u>648,547</u>	<u>491,697</u>

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

(b) Non-current assets

	31 December 2021 HK\$'000	31 December 2020 HK\$'000
Hong Kong	1,154,297	1,182,594
Mainland China	197,171	201,693
Republic of Singapore	933,721	875,728
Malaysia	358,895	374,896
Other	134,842	128,759
	<u>2,778,926</u>	<u>2,763,670</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\$96,527,000 for the year ended 31 December 2021 (nine months ended 31 December 2020 — HK\$90,271,000) was derived from sales by the food businesses segment to a single customer.

4. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
Revenue from contracts with customers:		
Sale of goods and fast-moving consumer products	285,731	244,657
Sale of food and beverage	307,427	196,236
Provision of management services	14,115	9,281
	<u>607,273</u>	<u>450,174</u>
Revenue from other sources:		
Property rental income from operating leases	18,517	14,937
Interest income	4,332	6,090
Dividend income	16,751	15,848
Other	1,674	4,648
	<u>648,547</u>	<u>491,697</u>

Revenue from contracts with customers Disaggregated revenue information

Segments	Food businesses HK\$'000	Other HK\$'000	Total HK\$'000
Year ended 31 December 2021			
Types of goods or services:			
Sale of goods and fast-moving consumer products	285,731	-	285,731
Sale of food and beverage	307,427	-	307,427
Provision of management services	-	14,115	14,115
	<u>593,158</u>	<u>14,115</u>	<u>607,273</u>
Total revenue from contracts with customers	<u>593,158</u>	<u>14,115</u>	<u>607,273</u>
Geographical markets:			
Hong Kong	205,024	10,729	215,753
Mainland China	-	1,824	1,824
Republic of Singapore	387,891	1,562	389,453
Malaysia	243	-	243
	<u>593,158</u>	<u>14,115</u>	<u>607,273</u>
Total revenue from contracts with customers	<u>593,158</u>	<u>14,115</u>	<u>607,273</u>
Timing of revenue recognition:			
Goods transferred at a point in time	593,158	-	593,158
Services transferred over time	-	14,115	14,115
	<u>593,158</u>	<u>14,115</u>	<u>607,273</u>
Total revenue from contracts with customers	<u>593,158</u>	<u>14,115</u>	<u>607,273</u>

Segments	Food businesses HK\$'000	Other HK\$'000	Total HK\$'000
Nine months ended 31 December 2020			
Types of goods or services:			
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	-	9,281	9,281
Total revenue from contracts with customers	<u>440,893</u>	<u>9,281</u>	<u>450,174</u>
Geographical markets:			
Hong Kong	132,510	7,705	140,215
Mainland China	-	1,576	1,576
Republic of Singapore	308,383	-	308,383
Total revenue from contracts with customers	<u>440,893</u>	<u>9,281</u>	<u>450,174</u>
Timing of revenue recognition:			
Goods transferred at a point in time	440,893	-	440,893
Services transferred over time	-	9,281	9,281
Total revenue from contracts with customers	<u>440,893</u>	<u>9,281</u>	<u>450,174</u>

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

Segments	Food businesses HK\$'000	Other HK\$'000	Total HK\$'000
Year ended 31 December 2021			
Revenue from contracts with customers			
External customers	593,158	14,115	607,273
Inter-segment	-	10,674	10,674
Total revenue from contracts with customers	<u>593,158</u>	<u>24,789</u>	<u>617,947</u>
Revenue from other sources — external	3,318	310	3,628
Total segment revenue	<u>596,476</u>	<u>25,099</u>	<u>621,575</u>
Nine months ended 31 December 2020			
Revenue from contracts with customers			
External customers	440,893	9,281	450,174
Inter-segment	-	6,070	6,070
Total revenue from contracts with customers	<u>440,893</u>	<u>15,351</u>	<u>456,244</u>
Revenue from other sources — external	5,125	2,426	7,551
Total segment revenue	<u>446,018</u>	<u>17,777</u>	<u>463,795</u>

5. OTHER INCOME

	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
Government grants (<i>Note</i>)	11,963	45,296
Interest income from promissory note	118	606
	<u>12,081</u>	<u>45,902</u>

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

	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
Gain/(Loss) on disposal of:		
Subsidiaries	10,119	-
Fixed assets	129	(746)
Gain on deemed disposal of an associate	-	195
Gain on derecognition of an associate	4,788	-
Write-back of provisions/(Provisions) for impairment losses on:		
Fixed assets	428	(12,238)
Joint ventures	(386)	(1,192)
Inventories	(2,608)	(2,409)
Loans and receivables	457	(507)
Fixed assets written off	(2,643)	-
Foreign exchange gains/(losses) — net	(13,450)	1,410
Realised translation gains/(losses) reclassified to the statement of profit or loss relating to liquidation of foreign operations	65	(1,907)
	<u>(3,101)</u>	<u>(17,394)</u>

7. PROFIT/(LOSS) BEFORE TAX

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

	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Financial assets at fair value through profit or loss mandatorily classified as such, including those held for trading:		
Equity securities	49,433	79,432
Debt securities	2,878	(390)
Investment funds	159,906	51,882
Equity linked notes	437	-
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	3,669	(864)
Derivative financial instruments	9,834	1,716
	<u>226,157</u>	<u>131,776</u>
Interest income:		
Loans and advances	1,901	3,673
Promissory note	118	606
Other	2,431	2,417
Depreciation of fixed assets	(60,077)	(39,106)
Depreciation of right-of-use assets	(54,835)	(42,615)
Cost of inventories sold	(314,326)	(224,476)
Selling and distribution expenses [#]	(31,914)	(22,662)
Legal and professional fees [#]	(26,274)	(18,074)
Consultancy and service fees [#]	(20,226)	(41,276)
Utilities charges [#]	(11,290)	(7,819)
Repairs and maintenance expenses [#]	(9,998)	(6,677)

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

8. INCOME TAX

	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
Hong Kong:		
Charge for the year/period	591	630
Overprovision in prior periods	(20)	(169)
Deferred	(470)	(67)
	<u>101</u>	<u>394</u>
Mainland China and overseas:		
Charge for the year/period	2,142	4,664
Overprovision in prior periods	(903)	(580)
Deferred	(2,431)	(5,387)
	<u>(1,192)</u>	<u>(1,303)</u>
Total credit for the year/period	<u><u>(1,091)</u></u>	<u><u>(909)</u></u>

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (nine months ended 31 December 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 year/period at the rates of 25% and 17% (nine months ended 31 December 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 year/period attributable to equity holders of the Company; and (ii) the weighted average number of approximately 9,186,913,000 ordinary shares (nine months ended 31 December 2020 — approximately 9,186,913,000 ordinary shares) in issue during the year/period.

(b) Diluted earnings/(loss) per share

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2021 and the nine months ended 31 December 2020.

10. DIVIDENDS

	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
Interim dividend, declared — Nil (nine months ended 31 December 2020 — HK0.2 cents per ordinary share)	-	18,374
Final dividend, proposed, of HK0.45 cents (nine months ended 31 December 2020 — HK0.35 cents) per ordinary share	41,341	32,154
	41,341	50,528

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

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 U.S.A. Subsequently, CS Mining sold its assets through a court-supervised sale process under its bankruptcy proceedings and a former 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 state court in the U.S.A. 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"), alleging, among other things, that they 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. As a result, the court issued a decision in 2020 to grant the motion in part and dismiss several causes of action. With respect to the remaining parts of the Complaint that were not dismissed, the court did not rule on the merits of those claims and the Parties filed their answer to the same. 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, preferred their own interests over those of Skye and its creditors and other owners and that this misconduct of the Counterparties caused the Group to suffer loss. The Counterparties filed a motion to dismiss the Counterclaim. In July 2021, the court issued its decision to grant the motion in part, resulting in certain counts of the Counterclaim being dismissed. Importantly, with respect to the counts of the Counterclaim that were dismissed, the 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. The Counterparties filed their answer to the remaining counts of the Counterclaim. The Group continues to believe the Complaint is wholly frivolous and without basis and will continue to defend the Complaint vigorously and also prosecute the Counterclaim against the Counterparties to recover for the harm that they caused both CS Mining and Skye.

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:

	31 December 2021 HK\$'000	31 December 2020 HK\$'000
Outstanding balances with ages:		
Within 30 days	23,880	33,336
Between 31 and 60 days	14,762	24,489
Between 61 and 90 days	9,820	15,904
Between 91 and 180 days	1,410	1,813
	<hr/>	<hr/>
	49,872	75,542
	<hr/>	<hr/>

13. 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 2021 HK\$'000	31 December 2020 HK\$'000
Outstanding balances with ages:		
Within 30 days	29,985	30,470
Between 31 and 60 days	6,670	8,527
Between 61 and 90 days	699	1,061
Between 91 and 180 days	1,139	1,097
Over 180 days	109	2,545
	<hr/>	<hr/>
	38,602	43,700
	<hr/>	<hr/>

BUSINESS REVIEW

Overview

The global economy, supported by the vaccine rollout and stimulus measures, experienced a recovery in 2021. Most of the stock markets were above pre-pandemic levels. However, new COVID-19 variants continued to present challenges and uncertainties. Various COVID-19 containment measures such as travel restrictions and social distancing measures were still implemented in the places at which the Group and its associates have operations. The operating environment of the Group and its associates remained challenging during the year under review.

Results for the Year

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

The Group recorded a consolidated profit attributable to shareholders of HK\$49 million for the Year, as compared to a consolidated loss of HK\$12 million for the Last Period. The positive change was mainly attributable to the increase in net fair value gain on financial instruments at fair value through profit or loss and the decrease in net fair value loss on investment properties of the Group for the Year.

Revenue for the Year amounted to HK\$649 million (2020 — HK\$492 million). Food businesses remain the principal sources of revenue of the Group, contributing to 92% (2020 — 91%) of total revenue for the Year.

The Group's other operating expenses mainly included selling and distribution expenses and utilities charges for food businesses, legal and professional fees, consultancy and service fees, and repairs and maintenance expenses. Other operating expenses amounted to HK\$150 million for the Year (2020 — HK\$140 million).

Food businesses

The Group's food businesses segment recorded a revenue of HK\$596 million (2020 — HK\$446 million), mainly from food retail operations in chains of cafés and bistros and food manufacturing. The food retail operations in Singapore and Hong Kong were still subject to different stages of tight social distancing measures, seating restrictions, reduced dining hours and other restrictive policies over the Year. The customer traffic was affected. To help curb the spread of COVID-19 community cases around Singapore, safe management measures were tightened in Singapore during the Year especially during the heightened alert periods. Work-from-home was the default for workplace. There was a repeated cycle of no dine-in and group dining size restriction. Only takeaway and deliveries were allowed for food and beverage operators. Such restrictive measures had inevitably affected the Group's food businesses in Singapore during the Year. The traffic in Hong Kong had picked up since May 2021 after recording a long period of zero local community confirmed COVID-19 cases. To tackle the challenges during the COVID-19 pandemic (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 Year. There was an improvement in the performance of the Chinese restaurant in the second half of the Year following the relaxation of the modes of operation of catering premises under vaccine bubble in Hong Kong. The food manufacturing business was also affected by the Pandemic as the factory in Malaysia was in limited commercial operation due to various movement control orders. As a result, the segment loss increased to HK\$67 million for the Year (2020 — HK\$23 million) as the impact of the Pandemic was continued but fewer support measures were provided by governments during the Year.

The Group will continue to focus on its food retail business and food manufacturing business. The Group is currently operating restaurants under the brands “Chatterbox Café”, “Chatterbox Express”, “alfafa”, “Delifrance”, “Maxx Coffee” and “Lippo Chiuchow Restaurant”.

Following the outbreak of the fifth wave of COVID-19 infection in Hong Kong caused by the spread of the highly transmissible Omicron variant in early 2022, the Hong Kong government has imposed stringent social distancing measures which has adversely affected the food retail business.

Property investment

The total segment revenue from the property investment business for the Year amounted to HK\$22 million (2020 — HK\$17 million), which 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. Amidst the Pandemic, the decline in market values of properties in Hong Kong was moderate during the Year as compared with 2020. The Group recorded fair value loss on investment properties of HK\$7 million for the Year (2020 — HK\$61 million). Coupled with the absence of the provision of HK\$12 million for impairment loss on certain properties located in Hong Kong during the Last Period, segment loss for the Year decreased to HK\$7 million (2020 — HK\$75 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\$19 million during the Year (2020 — HK\$19 million). The Group recorded a net fair value gain in the statement of profit or loss from its securities investments of HK\$218 million for the Year (2020 — HK\$128 million) under this segment, mainly deriving from listed equity securities held for trading and unlisted investment funds held for long-term strategic purposes. As a result, the treasury and securities investments businesses recorded a net profit of HK\$215 million in the statement of profit or loss for the Year (2020 — HK\$138 million).

As at 31 December 2021, the treasury and securities investments portfolio of HK\$1,947 million (31 December 2020 — HK\$2,017 million), comprised mainly cash and bank balances of HK\$733 million (31 December 2020 — HK\$876 million), financial assets at fair value through profit or loss (“FVPL”) of HK\$1,129 million (31 December 2020 — HK\$1,033 million) and financial assets at fair value through other comprehensive income (“FVOCI”) of HK\$79 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 31 December 2021, the Group’s financial assets at FVPL amounted to HK\$1,129 million (31 December 2020 — HK\$1,033 million), comprising equity securities of HK\$449 million (31 December 2020 — HK\$549 million), debt securities of HK\$53 million (31 December 2020 — HK\$21 million) and investment funds of HK\$627 million (31 December 2020 — HK\$463 million).

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

	As at 31 December 2021			As at 31 December 2020	Year ended 31 December 2021
	Fair value	Approximate percentage of financial assets at FVPL	Approximate percentage to the total assets	Fair value	Net fair value gain/(loss)
	HK\$'000			HK\$'000	HK\$'000
Quantedge Global Fund (“Quantedge”)	84,838	7.5%	1.7%	70,314	14,452
GSH Corporation Limited (“GSH”)	78,649	7.0%	1.6%	85,730	(7,081)
Ascapia Fund II (“Ascapia”)	72,602	6.4%	1.5%	30,506	42,569
Others (<i>Note</i>)	893,357	79.1%	17.8%	846,550	162,714
Total	1,129,446	100.0%	22.6%	1,033,100	212,654

Note: Others comprised of various securities, none of which accounted for more than 5% of financial assets at FVPL as at 31 December 2021.

Quantedge

As at 31 December 2021, the fair value of the Group’s investment in Quantedge amounted to HK\$85 million, representing approximately 7.5% 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 Year, mainly contributed by the gains in the commodities and equities market, while the fixed income portfolio had faced a challenging year in 2021. As a result, the Group shared a fair value gain of HK\$14 million from the investment for the Year.

GSH

As at 31 December 2021, the fair value of the Group’s equity securities in GSH amounted to HK\$79 million, representing approximately 7.0% and 1.6% of the Group’s total financial assets at FVPL and total assets, respectively. An unrealised fair value loss of HK\$7 million was recognised by the Group for the Year. During the Year, the Group also invested in the listed convertible bonds issued by GSH. As at 31 December 2021, the fair value of the Group’s debt securities in GSH amounted to HK\$19 million, representing approximately 1.6% and 0.4% of the Group’s total financial assets at FVPL and total assets, respectively.

GSH, having its shares listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”), is a property developer in Asia with five properties under development in Malaysia and mainland China. It also owns and operates the Sutera Harbour Resort in Kota Kinabalu, comprising two 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 Pandemic. With the recommendation to reopen borders by the Malaysian government, it may foster a positive effect on GSH’s business operation environment. The share price of GSH may continue to fluctuate.

Ascapia

As at 31 December 2021, the fair value of the Group's investment in Ascapia amounted to HK\$73 million, representing approximately 6.4% and 1.5% of the Group's total financial assets at FVPL and total assets, respectively. The Group invested in Ascapia for strategic purpose from the beginning of year 2018. Ascapia is an unlisted investment fund with investment objective to preserve capital and deliver attractive risk-adjusted returns and to outperform the market indices in bearish markets. The investment manager seeks to avoid securities that it considers to be fraudulent, faddish, or financially unsustainable and actively attempts to hedge tail-risk with currency, commodities or futures. The Group reported a fair value gain of HK\$43 million for its investment in Ascapia for the Year, primarily driven by a strong performance in the consumer discretionary sector.

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 equity securities which are held for long term strategic purposes. Such investments were recorded under financial assets at FVOCI. As at 31 December 2021, the fair value of such investments amounted to HK\$79 million (31 December 2020 — HK\$103 million). During the Year, net fair value loss of HK\$52 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's core business was established in Shanghai, the PRC, facilitating financial and insurance services between wealthy individuals, financial institutions and insurance issuers overseas via its online wealth management platform. The carrying amount of the Group's investment in eBroker amounted to HK\$13 million as at 31 December 2021, representing approximately 16% 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 Year, 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 31 December 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\$65 million through other comprehensive income for the Year. 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 31 December 2021, the Group was interested in approximately 40.8% 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 currently owns, operates and manages close to 100 medical centres and clinics and is the largest outpatient clinic chain in Singapore.

The HMC Group recorded a significant increase in revenue for the Year. Such increase was mainly due to the increase in revenue from both the primary healthcare segment and the specialist healthcare segment. The increase in revenue of primary healthcare segment was driven by higher patient volume as compared to 2020 and was further supplemented by revenue from vaccination, COVID-19 polymerase chain reaction ("PCR") and serology testing projects. The revenue for the specialist healthcare segment increased due to rise in demand compared to 2020, which was impacted by circuit breaker measures imposed by the Singapore government during 2020. As a result, the HMC Group registered an increase in profit attributable to shareholders for the Year and the Group recognised a higher share of profit of

HK\$25 million (2020 — HK\$7 million) for the Year accordingly. As at 31 December 2021, the Group's interest in Healthway amounted to HK\$443 million (31 December 2020 — HK\$431 million).

The HMC Group remains committed in supporting nationwide efforts to inoculate the population in Singapore. In September 2021, the HMC Group began administering the first batch of Sinopharm COVID-19 vaccines, at selected clinics. The HMC Group will continue to offer COVID-19 PCR, serology and Antigen Rapid Testing ("ART") across 51 of its clinics and run two Quick Test Centres where the public can take a self-administered ART supervised by an approved COVID-19 test provider. In October 2021, the HMC Group completed the acquisition of a primary healthcare chain operating nine clinics, with the majority of clinics located primarily in key locations in Singapore's commercial business district, to expand its footprint of general practitioner clinics and meet the growing needs of the primary care sector. The HMC Group is also expanding its repertoire of specialist doctors, from growing its paediatric and orthopaedic specialities to launching new verticals across the full spectrum of adult specialist disciplines.

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 Year (2020 — HK\$25 million), mainly attributable to fair value gain on its equity investments and investment funds. The Group's interests in TIH as at 31 December 2021 increased to HK\$291 million (31 December 2020 — HK\$275 million).

TIH currently has two business segments, that is, investment business and fund management. Under investment business, TIH is seeking capital appreciation and investment income from special situation investments in both public and private companies, acquisitions of secondary portfolio and non-core assets, private credit and long-term strategic private equity. Under fund management, TIH's aim is to procure recurring fee-based income from managing third party investment funds under its wholly-owned subsidiary, TIH Investment Management Pte. Ltd., which holds a capital markets services licence from the Monetary Authority of Singapore.

Financial Position

The Group's financial position remained healthy. As at 31 December 2021, its total assets amounted to HK\$5.0 billion (31 December 2020 — HK\$5.2 billion). Total liabilities amounted to HK\$1.5 billion (31 December 2020 — HK\$1.8 billion). As at 31 December 2021, total cash and cash equivalents and time deposits amounted to HK\$860 million (31 December 2020 — HK\$1,070 million). Current ratio as at 31 December 2021 amounted to 2.0 (31 December 2020 — 2.1).

As at 31 December 2021, bank and other borrowings of the Group amounted to HK\$989 million (31 December 2020 — HK\$1,174 million), which included bank borrowings of HK\$989 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 31 December 2021, bank borrowings comprised secured bank loans of HK\$989 million (31 December 2020 — HK\$883 million). The balance as at 31 December 2020 also included an unsecured bank overdraft of HK\$2 million. The bank borrowings were denominated in Hong Kong dollars, Singapore dollars and Malaysian Ringgits. The bank loans were secured by fixed and floating charges on certain properties and assets of certain subsidiaries of the Group. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure. As at 31 December 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 31 December 2021, approximately 34% (31 December 2020 — 39%) of the bank and other borrowings were repayable within one year. As at 31 December 2021, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 28.4% (31 December 2020 — 33.2%). The Group does not expect any liquidity pressures under the prolonged Pandemic.

The net asset value attributable to equity holders of the Company amounted to HK\$3.1 billion as at 31 December 2021 (31 December 2020 — HK\$3.1 billion). This was equivalent to HK\$0.34 per share as at 31 December 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 31 December 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 Year (31 December 2020 — Nil).

Total commitment of the Group as at 31 December 2021 amounted to HK\$114 million (31 December 2020 — HK\$57 million), which are mainly related to the committed investments in certain unlisted investment funds for long-term strategic purpose. 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 787 full-time employees as at 31 December 2021 (31 December 2020 — 945 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Year amounted to HK\$315 million (2020 — HK\$218 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

A growing number of countries, including Singapore, across the world have uplifted or announced plans to uplift all or part of the lock-down and other containment measures against the Pandemic in the first quarter of 2022. This is an encouraging development which will revitalise economy. However, the economy in 2022 is expected to be in a weaker position than previously expected. Rising energy prices and supply chain disruptions would exacerbate inflationary pressures and weigh on global economic growth. The geographical tensions involving Russia and Ukraine add uncertainty to the global economy.

The Group and its associates will remain vigilant towards adverse factors such as new threats of the Pandemic, geopolitical uncertainties, widely expected interest rate hikes and changes of government monetary policies. The Group and its associates will continue to monitor and adapt to any changes to the operating environment and will exercise prudence in their capital management and expenditure.

DIVIDENDS

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting to be held on Wednesday, 8 June 2022 (the “2022 AGM”) the payment of a final dividend of HK0.45 cents per share (2020 – HK0.35 cents per share) amounting to approximately HK\$41.3 million for the year ended 31 December 2021 (2020 – approximately HK\$32.2 million). No interim dividend was declared (2020 – HK0.2 cents per share). Total dividends for the year ended 31 December 2021 will be HK0.45 cents per share (2020 – HK0.55 cents per share) amounting to approximately HK\$41.3 million (2020 – approximately HK\$50.5 million). Subject to the approval of shareholders at the 2022 AGM, the final dividend will be paid on or about Friday, 24 June 2022 to shareholders whose names appear on the Register of Members on Friday, 17 June 2022.

CLOSURE OF REGISTER OF MEMBERS

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

- (i) from Thursday, 2 June 2022 to Wednesday, 8 June 2022 (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 2022 AGM. In order to be entitled to attend and vote at the 2022 AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s Registrar, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 1 June 2022; and
- (ii) from Wednesday, 15 June 2022 to Friday, 17 June 2022 (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 Tengis Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 14 June 2022.

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

During the year ended 31 December 2021, there was no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

The Company is committed to ensuring high standards of corporate governance practices. The Board of Directors of the Company (the “Board”) believes that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. Corporate governance requirements keep changing, therefore the Board reviews its corporate governance practices from time to time to ensure they meet public and shareholders’ expectation, comply with legal and professional standards and reflect the latest local and international developments. The Board will continue to commit itself to achieving a high quality of corporate governance so as to safeguard the interests of shareholders and enhance shareholder value.

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31 December 2021.

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 and has reviewed and agreed with the consolidated financial statements of the Group for the year ended 31 December 2021.

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 year ended 31 December 2021 (the “Year”) as set out in this preliminary announcement have been agreed by the Group’s independent auditor, Ernst & Young, to the amounts set out in the Group’s draft consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this preliminary announcement.

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

Hong Kong, 30 March 2022

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