

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 2022

The Board of Directors of Lippo China Resources Limited (the “Company”) announces the consolidated final results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2022 together with the comparative figures for the corresponding period in 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	Note	2022 HK\$'000	2021 HK\$'000
Revenue	4	607,392	648,547
Cost of sales		(290,930)	(316,559)
Gross profit		316,462	331,988
Other income	5	15,948	12,081
Administrative expenses		(379,227)	(392,385)
Other operating expenses	7	(138,222)	(149,621)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	7	(104,334)	226,157
Net fair value loss on investment properties		(22,149)	(6,778)
Other losses — net	6	(8,042)	(3,101)
Finance costs		(39,993)	(30,246)
Share of results of associates		39,956	50,230
Share of results of joint ventures		(404)	(415)
Profit/(Loss) before tax	7	(320,005)	37,910
Income tax	8	3,483	1,091
Profit/(Loss) for the year		(316,522)	39,001
Attributable to:			
Equity holders of the Company		(277,890)	48,665
Non-controlling interests		(38,632)	(9,664)
		(316,522)	39,001
		HK cents	HK cents
Earnings/(Loss) per share attributable to equity holders of the Company	9		
Basic and diluted		(3.02)	0.53

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022 HK\$'000	2021 HK\$'000
Profit/(Loss) for the year	(316,522)	39,001
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	(40,845)	9,103
Exchange differences reclassified to profit or loss upon:		
Disposal of foreign subsidiaries	-	(3,944)
Liquidation of foreign operations	(237)	(65)
Derecognition of a foreign associate	-	(144)
Deemed disposal of a foreign associate	(12)	-
Share of other comprehensive income/(loss) of associates	6,357	(10,230)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	(34,737)	(5,280)
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	(25,901)	(52,349)
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	(25,901)	(49,744)
Other comprehensive loss for the year, net of tax	(60,638)	(55,024)
Total comprehensive loss for the year	(377,160)	(16,023)
Attributable to:		
Equity holders of the Company	(329,533)	(5,479)
Non-controlling interests	(47,627)	(10,544)
	(377,160)	(16,023)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Intangible assets		21,034	21,034
Fixed assets		1,003,229	1,052,732
Investment properties		644,432	685,704
Right-of-use assets		155,841	156,203
Interests in associates		821,898	784,932
Interests in joint ventures	11	76,900	75,674
Financial assets at fair value through other comprehensive income		72,639	78,547
Financial assets at fair value through profit or loss		476,427	655,427
Debtors, prepayments and other assets	12	14,450	14,672
Other financial asset		-	1,504
Deferred tax assets		6,937	4,225
		<u>3,293,787</u>	<u>3,530,654</u>
Current assets			
Inventories		25,196	18,697
Debtors, prepayments and other assets	12	111,041	120,878
Financial assets at fair value through profit or loss		308,198	474,019
Other financial assets		651	-
Tax recoverable		403	753
Time deposits with original maturity of more than three months		-	76,425
Cash and cash equivalents		652,761	783,321
		<u>1,098,250</u>	<u>1,474,093</u>
Current liabilities			
Bank and other borrowings		550,922	337,144
Lease liabilities		56,782	54,776
Creditors, accruals and other liabilities	13	194,250	223,661
Other financial liabilities		-	9,824
Tax payable		116,456	117,401
		<u>918,410</u>	<u>742,806</u>
Net current assets		<u>179,840</u>	<u>731,287</u>
Total assets less current liabilities		<u>3,473,627</u>	<u>4,261,941</u>

	Note	2022 HK\$'000	2021 HK\$'000
Non-current liabilities			
Bank and other borrowings		312,515	651,448
Lease liabilities		108,601	111,360
Creditors, accruals and other liabilities	13	9,150	10,698
Deferred tax liabilities		20,326	26,470
		<u>450,592</u>	<u>799,976</u>
Net assets		<u>3,023,035</u>	<u>3,461,965</u>
Equity			
Equity attributable to equity holders of the Company			
Share capital		1,705,907	1,705,907
Reserves		967,310	1,372,433
		<u>2,673,217</u>	<u>3,078,340</u>
Non-controlling interests		349,818	383,625
		<u>3,023,035</u>	<u>3,461,965</u>

Note:

1. BASIS OF PREPARATION

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

The unaudited financial information relating to the year ended 31 December 2022 and the financial information relating to the year ended 31 December 2021 included in this preliminary announcement of final results for the year ended 31 December 2022 does not constitute the Company’s statutory annual consolidated financial statements for those years but, in respect of the year ended 31 December 2021, 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 2022 have yet to be reported on by the Company’s auditor and will be delivered to the Registrar of Companies in due course.

The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on the financial statements of the Group for the year ended 31 December 2021. 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 year ended 31 December 2021, except for the adoption of the following revised HKFRSs for the first time for the current year’s final results:

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “Conceptual Framework”) issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.

Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

Annual Improvements to HKFRSs 2018-2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. HKFRS 9 *Financial Instruments* clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

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 2022

	Property investment	Treasury investment	Securities investment	Food businesses	Healthcare services	Other	Inter- segment elimination	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue								
External	17,177	3,613	11,606	560,256	-	14,740	-	607,392
Inter-segment	3,857	-	-	-	-	3,803	(7,660)	-
Total	21,034	3,613	11,606	560,256	-	18,543	(7,660)	607,392
Segment results	(22,981)	3,613	(100,806)	(110,714)	(1,823)	1,249	(309)	(231,771)
Unallocated corporate expenses								(99,847)
Finance costs								(27,939)
Share of results of associates	-	-	-	-	29,166	10,790	-	39,956
Share of results of joint ventures	-	-	-	(399)	-	(5)	-	(404)
Loss before tax								(320,005)
Segment assets	1,245,789	294,070	1,076,215	832,727	-	9,009	(4,567)	3,453,243
Interests in associates	-	-	-	-	473,843	348,055	-	821,898
Interests in joint ventures	-	-	41,773	34,795	-	332	-	76,900
Unallocated assets								39,996
Total assets								4,392,037
Segment liabilities	204,216	-	42,167	463,587	421,728	340,153	(1,003,780)	468,071
Unallocated liabilities								900,931
Total liabilities								1,369,002

	Property investment	Treasury investment	Securities investment	Food businesses	Healthcare services	Other	Inter- segment elimination	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment information:								
Capital expenditure <i>(Note)</i>	213	-	-	36,466	-	447	-	37,126
Depreciation	(16,916)	-	-	(102,154)	-	(139)	3,410	(115,799)
Interest income	-	3,613	1,255	1,691	-	-	-	6,559
Finance costs	-	-	(1,321)	(10,870)	-	-	137	(12,054)
Loss on disposal of fixed assets	-	-	-	(97)	-	-	-	(97)
Loss on deemed disposal of an associate	-	-	-	-	(45)	-	-	(45)
Provisions for impairment losses on:								
A joint venture	-	-	-	-	-	(62)	-	(62)
Inventories	-	-	-	(1,868)	-	-	-	(1,868)
Loans and receivables	-	-	-	(153)	-	-	-	(153)
Fixed assets written off	-	-	-	(57)	-	-	-	(57)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	144	-	-	-	-	-	-	144
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	-	-	(104,589)	255	-	-	-	(104,334)
Net fair value loss on investment properties	(22,149)	-	-	-	-	-	-	(22,149)
Unallocated:								
Capital expenditure <i>(Note)</i>								300
Depreciation								(8,409)
Finance costs								(27,939)
Loss on disposal of fixed assets								(2)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations								93

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	<u>22,374</u>	<u>2,378</u>	<u>16,751</u>	<u>596,476</u>	<u>-</u>	<u>25,099</u>	<u>(14,531)</u>	<u>648,547</u>
Segment results	<u>(7,107)</u>	<u>2,378</u>	<u>212,688</u>	<u>(66,578)</u>	<u>(1,908)</u>	<u>(9,062)</u>	<u>(199)</u>	<u>130,212</u>
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								<u>37,910</u>
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								<u>5,004,747</u>
Segment liabilities	213,653	-	57,670	494,357	418,381	367,239	(1,038,673)	512,627
Unallocated liabilities								1,030,155
Total liabilities								<u>1,542,782</u>

	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
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

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

Geographical information

(a) Revenue from external customers

	2022 HK\$'000	2021 HK\$'000
Hong Kong	196,285	238,208
Mainland China	9,134	8,450
Republic of Singapore	391,649	391,981
Malaysia	2,527	1,006
Other	7,797	8,902
	<u>607,392</u>	<u>648,547</u>

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

(b) Non-current assets

	2022 HK\$'000	2021 HK\$'000
Hong Kong	1,119,692	1,154,297
Mainland China	171,701	197,171
Republic of Singapore	970,424	933,721
Malaysia	334,169	358,895
Other	130,254	134,842
	<u>2,726,240</u>	<u>2,778,926</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\$91,801,000 for the year ended 31 December 2022 (2021 — HK\$96,527,000) was derived from sales by the food businesses segment to a single customer.

4. REVENUE

An analysis of revenue is as follows:

	2022 HK\$'000	2021 HK\$'000
Revenue from contracts with customers:		
Sale of goods and fast-moving consumer products	266,461	285,731
Sale of food and beverage	291,065	307,427
Provision of management services	13,981	14,115
	<u>571,507</u>	<u>607,273</u>
Revenue from other sources:		
Property rental income from operating leases:		
Variable lease payments that do not depend on an index or a rate	522	-
Other lease payments, including fixed payments	16,655	18,517
	<u>17,177</u>	<u>18,517</u>
Interest income	6,559	4,332
Dividend income	10,351	16,751
Other	1,798	1,674
	<u>607,392</u>	<u>648,547</u>

Revenue from contracts with customers Disaggregated revenue information

Segments	Food businesses HK\$'000	Other HK\$'000	Total HK\$'000
Year ended 31 December 2022			
Types of goods or services:			
Sale of goods and fast-moving consumer products	266,461	-	266,461
Sale of food and beverage	291,065	-	291,065
Provision of management services	-	13,981	13,981
	<u>557,526</u>	<u>13,981</u>	<u>571,507</u>
Total revenue from contracts with customers	<u>557,526</u>	<u>13,981</u>	<u>571,507</u>
Geographical markets:			
Hong Kong	169,461	10,599	180,060
Mainland China	-	2,258	2,258
Republic of Singapore	386,168	1,124	387,292
Malaysia	1,897	-	1,897
	<u>557,526</u>	<u>13,981</u>	<u>571,507</u>
Total revenue from contracts with customers	<u>557,526</u>	<u>13,981</u>	<u>571,507</u>
Timing of revenue recognition:			
Goods transferred at a point in time	557,526	-	557,526
Services transferred over time	-	13,981	13,981
	<u>557,526</u>	<u>13,981</u>	<u>571,507</u>
Total revenue from contracts with customers	<u>557,526</u>	<u>13,981</u>	<u>571,507</u>

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
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
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
Total revenue from contracts with customers	<u>593,158</u>	<u>14,115</u>	<u>607,273</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 2022			
Revenue from contracts with customers			
External customers	557,526	13,981	571,507
Inter-segment	-	3,803	3,803
Total revenue from contracts with customers	<u>557,526</u>	<u>17,784</u>	<u>575,310</u>
Revenue from other sources — external	2,730	759	3,489
Total segment revenue	<u>560,256</u>	<u>18,543</u>	<u>578,799</u>
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	<u>3,318</u>	<u>310</u>	<u>3,628</u>
Total segment revenue	<u><u>596,476</u></u>	<u><u>25,099</u></u>	<u><u>621,575</u></u>

5. OTHER INCOME

	2022 HK\$'000	2021 HK\$'000
Government grants (<i>Note</i>)	15,948	11,963
Interest income from promissory note	-	118
	<u>15,948</u>	<u>12,081</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

	2022 HK\$'000	2021 HK\$'000
Gain/(Loss) on disposal of:		
Subsidiaries	-	10,119
Fixed assets	(99)	129
Loss on deemed disposal of an associate	(45)	-
Gain on derecognition of an associate	-	4,788
Write-back of provisions/(Provisions) for impairment losses on:		
Fixed assets	-	428
Joint ventures	(62)	(386)
Inventories	(1,868)	(2,608)
Loans and receivables	(153)	457
Fixed assets written off	(57)	(2,643)
Foreign exchange losses — net	(5,995)	(13,450)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	237	65
	<u>(8,042)</u>	<u>(3,101)</u>

7. PROFIT/(LOSS) BEFORE TAX

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

	2022 HK\$'000	2021 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	(89,469)	49,433
Debt securities	(1,824)	2,878
Investment funds	(9,978)	159,906
Equity linked notes	-	437
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	-	3,669
Derivative financial instruments	(3,063)	9,834
	<u>(104,334)</u>	<u>226,157</u>
Interest income:		
Loans and advances	1,640	1,901
Financial assets at fair value through profit or loss	1,255	-
Promissory note	-	118
Other	3,664	2,431
Depreciation of fixed assets	(67,779)	(60,077)
Depreciation of right-of-use assets	(56,429)	(54,835)
Cost of inventories sold	(288,821)	(314,326)
Selling and distribution expenses [#]	(41,800)	(31,914)
Legal and professional fees [#]	(18,264)	(26,274)
Consultancy and service fees [#]	(10,989)	(20,226)
Utilities charges [#]	(11,705)	(11,290)
Repairs and maintenance expenses [#]	(5,315)	(9,998)

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

8. INCOME TAX

	2022 HK\$'000	2021 HK\$'000
Hong Kong:		
Charge for the year	-	591
Overprovision in prior years	(10)	(20)
Deferred	109	(470)
	<u>99</u>	<u>101</u>
Mainland China and overseas:		
Charge for the year	3,639	2,142
Overprovision in prior years	(1,749)	(903)
Deferred	(5,472)	(2,431)
	<u>(3,582)</u>	<u>(1,192)</u>
Total credit for the year	<u>(3,483)</u>	<u>(1,091)</u>

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (2021 — 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 at the rates of 25% and 17% (2021 — 25% and 17%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the 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 attributable to equity holders of the Company; and (ii) the weighted average number of approximately 9,186,913,000 ordinary shares (2021 — approximately 9,186,913,000 ordinary shares) in issue during the year.

(b) Diluted earnings/(loss) per share

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

10. DIVIDENDS

	2022 HK\$'000	2021 HK\$'000
Interim dividend, declared — HK0.35 cents per ordinary share (2021 — Nil)	32,154	-
Final dividend, proposed — Nil (2021 — HK0.45 cents per ordinary share)	-	41,341
	<u>32,154</u>	<u>41,341</u>

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 2017. In 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 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 litigation is still ongoing. 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:

	2022 HK\$'000	2021 HK\$'000
Outstanding balances with ages:		
Within 30 days	28,189	23,880
Between 31 and 60 days	19,105	14,762
Between 61 and 90 days	12,155	9,820
Over 90 days	582	1,410
	<u>60,031</u>	<u>49,872</u>

13. CREDITORS, ACCRUALS AND OTHER LIABILITIES

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

	2022 HK\$'000	2021 HK\$'000
Outstanding balances with ages:		
Within 30 days	32,617	29,985
Between 31 and 60 days	10,601	6,670
Between 61 and 90 days	460	699
Over 90 days	1,642	1,248
	<u>45,320</u>	<u>38,602</u>

BUSINESS REVIEW

Overview

The global economy experienced a number of challenges during the year ended 31 December 2022 (the “Year”). Renewed COVID-19 pandemic (the “Pandemic”) lockdowns in mainland China during the Year had disrupted its economic activities and slowed down its economic growth. The Russia-Ukraine war, geopolitical tensions and Pandemic-induced supply chain bottlenecks had pushed up prices in food, energy and commodities. Inflation soared to very high levels and major central banks have tightened their monetary policies. The global stock market exhibited substantial volatility in 2022. The operating environment was challenging during the Year. Amid this background, most countries have reopened their economies and are moving forward from the Pandemic. The Singapore economy expanded by 3.6% for the Year, moderating from the 8.9% growth in 2021.

Results for the Year

Against this backdrop, the Group recorded a consolidated loss attributable to shareholders of HK\$278 million for the Year, as compared to a consolidated profit of HK\$49 million for the year ended 31 December 2021 (“2021”). The variance of results for the Year as compared with 2021 was mainly attributable to net fair value loss on financial instruments at fair value through profit or loss of the Group during the Year while a net fair value gain was recorded in 2021.

Total revenue for the Year decreased to HK\$607 million (2021 — HK\$649 million), of which 64% (2021 — 60%) and 32% (2021 — 37%) were generated from Singapore and Hong Kong, respectively. Food businesses remained the principal sources of revenue of the Group, contributing to 92% (2021 — 92%) of total revenue for the Year but registered a 6% decrease as such businesses continued to be affected by Pandemic’s containment measures, especially in Hong Kong, during 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\$138 million for the Year (2021 — HK\$150 million).

Food businesses

The Group’s food businesses segment recorded a revenue of HK\$560 million (2021 — HK\$596 million), mainly from food retail operations in chains of cafés and bistros and food manufacturing. The performance of the food retail business in Singapore was satisfactory after the relaxation of containment measures and border restrictions in Singapore since end of March 2022. The operating environment of the food retail business in Hong Kong was difficult as stringent social distancing measures were imposed during most of the Year with consumer spending gradually picking up after the lifting of most of the dine-in restrictions and social gatherings in late December 2022. The Group’s food manufacturing business was also impacted by operational challenges, input cost pressures arising from the global inflationary environment and challenges expanding into the Malaysian market. The operating environment of the food businesses of the Group as a whole remains difficult and challenging due to intense competition, manpower shortages, high operation cost and uncertainty in economic outlook. As a result, the segment loss increased to HK\$111 million for the Year (2021 — HK\$67 million).

The Group will continue to focus on its food retail business and food manufacturing business. The Group is currently operating restaurants under the brands such as “Chatterbox Café”, “Chatterbox Express”, “Délifrance”, “alfafa” and “Lippo Chiuchow Restaurant”. To improve its competitiveness, the Group is undertaking a rebranding exercise for “Délifrance”. A new concept store “Délifrance Bistro” was recently opened in March 2023 and is well received. The Group would further expand the brand “Chatterbox” by opening two new outlets in 2023.

Property investment

Segment revenue was mainly attributable to recurrent rental income from the Group’s investment properties. The total segment revenue for the Year amounted to HK\$21 million (2021 — HK\$22 million).

The Group’s property investment portfolio mainly comprises commercial properties in Hong Kong and mainland China. The property market sentiments in these regions were sluggish during the Year. The Group recorded fair value loss on investment properties of HK\$22 million for the Year (2021 — HK\$7 million). As a result, the property investment segment reported a loss of HK\$23 million for the Year (2021 — HK\$7 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. 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\$15 million for the Year (2021 — HK\$19 million). The global stock markets and bond markets were very volatile and suffered losses during the Year. The Group recorded a net fair value loss of HK\$105 million in the statement of profit or loss from its securities investments for the Year as compared with a gain of HK\$218 million in 2021 under this segment. As a result, the treasury and securities investments businesses recorded a net loss of HK\$97 million in the statement of profit or loss for the Year (2021 — profit of HK\$215 million).

During the Year, the Group reduced the size of its investment portfolio in response to the high volatility of the markets. As at 31 December 2022, the treasury and securities investments portfolio of HK\$1,370 million (31 December 2021 — HK\$1,947 million) comprised mainly cash and bank balances of HK\$505 million (31 December 2021 — HK\$733 million), financial assets at fair value through profit or loss (“FVPL”) of HK\$785 million (31 December 2021 — HK\$1,129 million) and financial assets at fair value through other comprehensive income (“FVOCI”) of HK\$73 million (31 December 2021 — HK\$79 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 2022, the Group’s financial assets at FVPL amounted to HK\$785 million (31 December 2021 — HK\$1,129 million), comprising equity securities of HK\$235 million (31 December 2021 — HK\$449 million), debt securities of HK\$41 million (31 December 2021 — HK\$53 million) and investment funds of HK\$509 million (31 December 2021 — HK\$627 million).

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

	As at 31 December 2022		As at 31 December 2021		Year ended 31 December 2022
	Fair value HK\$'000	Approximate percentage of financial assets at FVPL	Approximate percentage to the total assets	Fair value HK\$'000	Net fair value loss HK\$'000
GSH Corporation Limited (“GSH”)	72,918	9.3%	1.7%	78,649	(5,731)
Amasia CIV T, L.P. (“Amasia”)	56,111	7.2%	1.3%	55,967	(12)
Quantedge Global Fund (“Quantedge”)	49,860	6.3%	1.1%	84,838	(16,234)
Others (<i>Note</i>)	605,736	77.2%	13.8%	909,992	(79,294)
Total	784,625	100.0%	17.9%	1,129,446	(101,271)

Note: Others comprised of various securities, none of which accounted for more than 5% of financial assets at FVPL as at 31 December 2022.

GSH

As at 31 December 2022, the fair value of the Group’s equity securities in GSH amounted to HK\$73 million, representing approximately 9.3% and 1.7% of the Group’s total financial assets at FVPL and total assets, respectively. An unrealised fair value loss of HK\$6 million was recognised by the Group for the Year. The Group also invested in the listed convertible bonds issued by GSH. As at 31 December 2022, the fair value of the Group’s debt securities in GSH amounted to HK\$18 million, representing approximately 2.3% and 0.4% of the Group’s total financial assets at FVPL and total assets, respectively.

GSH, having its shares listed on the Mainboard of 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 Malaysia’s ease of movement control restrictions since the second quarter of 2022, GSH’s hospitality business had a strong recovery. The reopening of mainland China and tourist arrivals may foster a positive effect on GSH’s operating environment.

Amasia

Amasia is a single portfolio fund, consisting of only one company namely Dialpad, Inc. (“Dialpad”), which was founded in 2011 and has its headquarters in the U.S. Dialpad offers a suite of business communication software, including PBX in the cloud as well as conference calling solution. The Group invested US\$2 million into Amasia in year 2015 for long-term capital gain. As at 31 December 2022, the fair value of the Group’s investment in Amasia maintained at HK\$56 million, representing approximately 7.2% and 1.3% of the Group’s total financial assets at FVPL and total assets, respectively. The Group reported a fair value loss of HK\$0.01 million for the Year.

Quantedge

As at 31 December 2022, the fair value of the Group's investment in Quantedge amounted to HK\$50 million, representing approximately 6.3% and 1.1% of the Group's total financial assets at FVPL and total assets, respectively. The Group invested in Quantedge for long-term strategic purpose 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. The Group partially redeemed HK\$19 million of the investment during the Year in order to realise part of the gain accumulated since initial investment. As the prices of all major asset classes were down during the Year, the Group recognised a fair value loss of HK\$16 million for the Year.

Financial assets at fair value through other comprehensive income

In addition to the above investments under financial assets at FVPL, the Group also invested in equity securities which are held for long term strategic purposes and recorded them under financial assets at FVOCI. As at 31 December 2022, the fair value of such investments amounted to HK\$73 million (31 December 2021 — HK\$79 million). GenieBiome Holdings Limited ("GB") is one of the major investments in this category. As at 31 December 2022, the fair value of the Group's investment in GB amounted to HK\$19 million, representing approximately 26.1% and 0.4% of the Group's total financial assets at FVOCI and total assets as at 31 December 2022, respectively. In 2021, the Group made an investment in GB, a biotech company established by a team of internationally renowned university professors of medicine and clinician-scientists in Hong Kong. GB pioneers the use of novel microbes as diagnostic markers and potential remedies for different diseases, and has positioned itself to be a leading force in the development of new diagnostics and therapeutics based on the gut microbiome. GB has a pipeline of new products to be launched in market as well as continuing its research and development and patent filing using microbes for diagnostic and therapeutic purposes. The Group recorded an unrealised fair value gain of HK\$3 million through other comprehensive income for the Year.

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 "Healthway Group"), a 40.8% owned associate of the Company. Healthway is a company listed on the sponsor-supervised listing platform of the SGX-ST and has a wide network of over 100 clinics and medical centres in Singapore, offering comprehensive services including general practitioner and family medicine clinics, health screening, adult specialists, baby and child specialists, dental services and allied healthcare services.

The Healthway Group continued to perform well and registered an increase in profit for the Year and the Group recognised a higher share of profit of HK\$29 million (2021 — HK\$25 million) for the Year accordingly. Since the easing of community and border measures of the Pandemic rules by Singapore government during the Year, there was an increase in patient volume in the primary healthcare segment. The specialist healthcare segment also saw an increase in revenue mainly due to an increase in foreign traffic with the easing of the cross border measures, new clinics set up and businesses acquired. During the Year, the Healthway Group expanded its network by opening new Nobel medical specialist clinics with practices in cardiology, ophthalmology, paediatric surgery, endocrinologist, psychiatry and acquiring new brands like Straits Podiatry, Ten Surgery Group, Amazing Speech Therapy, HeadStart for Life and TeleHope Speech Therapy. It also opened its third health screening centre in November 2022. As at 31 December 2022, the Group's interest in Healthway amounted to HK\$474 million (31 December 2021 — HK\$443 million).

Moving forward, the Healthway Group will focus on supporting the national Healthier SG initiative scheduled to be rolled out in mid-2023 to empower Singaporeans to take charge of their health and keep chronic illnesses at bay. The Healthway Group stands committed to fortify its patient-centric healthcare system to cater to evolving healthcare demands. As the demand for pre-elective surgeries resurges due to the reopening of borders, the Healthway Group will also continue to expand and strengthen its specialist healthcare segment to provide quality healthcare services in more disciplines.

Other business

The Group recorded a share of profit of HK\$10 million from its investment in TIH Limited (“TIH”, together with its subsidiaries, the “TIH Group”), a 39.9% owned associate of the Company and listed on the Mainboard of the SGX-ST for the Year (2021 — HK\$25 million). The Group’s interests in TIH as at 31 December 2022 amounted to HK\$298 million (31 December 2021 — HK\$291 million).

The TIH Group currently has two business segments, that is, investment business and fund management. The TIH Group’s income is mostly derived from the realisation and/or revaluation of its investments and fee income. 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. As economic headwinds slowed growth in 2022 and valuations also declined, venture capital firms have held back on deploying capital, leading to a decline in private equity deals in investments. TIH will continue to monitor the market for investment opportunities, capitalising on its expertise and experiences in cross-border private equity transactions. Under fund management, TIH’s wholly-owned subsidiary, TIH Investment Management Pte. Ltd., which holds a capital markets services licence from the Monetary Authority of Singapore, continues to procure recurring fee-based income from managing or advising third party investment funds. Higher contribution from fund management business was recorded by TIH for the Year.

Financial Position

The Group’s financial position remained healthy. As at 31 December 2022, its total assets amounted to HK\$4.4 billion (31 December 2021 — HK\$5.0 billion). Total liabilities amounted to HK\$1.4 billion (31 December 2021 — HK\$1.5 billion). As at 31 December 2022, total cash and cash equivalents and time deposits amounted to HK\$0.7 billion (31 December 2021 — HK\$0.9 billion). Current ratio as at 31 December 2022 was 1.2 (31 December 2021 — 2.0).

As at 31 December 2022, bank and other borrowings of the Group reduced to HK\$863 million (31 December 2021 — HK\$989 million), which included secured bank borrowings of HK\$852 million (31 December 2021 — HK\$989 million) and secured other loan of HK\$11 million (31 December 2021 — Nil). The Group’s bank borrowings were denominated in Hong Kong dollars, Singapore dollars and Malaysian ringgits and secured by fixed and floating charges on certain properties and assets of certain subsidiaries of the Group. As at 31 December 2022, all the Group’s bank borrowings carried interest at floating rates. 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 2022, other loan was a fixed rate loan from a third party. The loan was denominated in Singapore dollars and secured by certain financial assets of the Group. As at 31 December 2021, approximately 6% of the Group’s bank borrowings effectively carried fixed rate of interest and the remaining were at floating rates.

As at 31 December 2022, approximately 64% (31 December 2021 — 34%) of the bank and other borrowings were repayable within one year. As at 31 December 2022, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 28.6% (31 December 2021 — 28.4%).

The net asset value attributable to equity holders of the Company amounted to HK\$2.7 billion as at 31 December 2022 (31 December 2021 — HK\$3.1 billion). This was equivalent to HK\$0.29 per share as at 31 December 2022 (31 December 2021 — 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 2022, the Group has secured bankers' guarantees of HK\$1 million (31 December 2021 — HK\$1 million) and unsecured bankers' guarantees of HK\$3 million (31 December 2021 — HK\$3 million). The secured bankers' guarantees were secured by certain assets of the Group. The amounts as at 31 December 2021 were also secured by corporate guarantees from the shareholders of a subsidiary. Aside from the abovementioned, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Year (31 December 2021 — Nil).

Total capital commitment of the Group as at 31 December 2022 amounted to HK\$121 million (31 December 2021 — HK\$114 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 740 full-time employees as at 31 December 2022 (31 December 2021 — 787 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Year amounted to HK\$283 million (2021 — HK\$315 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 economic environment is expected to be challenging in 2023. Downside risks such as the continuation of the Russia-Ukraine war, geopolitical tensions, tighter monetary policies, inflationary pressures and the recent banking crisis would affect global economic growth. However, it is expected that the economy in mainland China would record faster growth after the lifting of its Pandemic's restrictions. It is projected that the economy in Singapore, where the Group has operations, would have a growth in the region of 0.5% to 2.5% in 2023. Amid the challenging operating environment, the Group and its associates will continue to exercise prudent capital management in their operations.

DIVIDENDS

The Directors have resolved not to recommend payment of any final dividend (2021 — HK0.45 cents per share) for the year ended 31 December 2022 (2021 — approximately HK\$41.3 million). An interim dividend of HK0.35 cents per share (2021 — Nil) was paid in October 2022. Total dividends for the year ended 31 December 2022 would be HK0.35 cents per share (2021 — HK0.45 cents per share) which amounted to approximately HK\$32.2 million (2021 — approximately HK\$41.3 million).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 30 May 2023 to Friday, 2 June 2023 (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 forthcoming Annual General Meeting to be held on Friday, 2 June 2023 (the "2023 AGM"). In order to be entitled to attend and vote at the 2023 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, 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 29 May 2023.

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

During the year ended 31 December 2022, 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 2022.

AUDIT COMMITTEE

The Company has established an audit committee (the “Committee”). The existing members of the Committee comprise two independent non-executive Directors, namely Mr. Victor Ha Kuk Yung (Chairman) and Mr. Edwin Neo 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 2022.

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 2022 (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 2023

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