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LIPPO CHINA RESOURCES LIMITED

力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 156)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 together with the comparative figures for the corresponding period in 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Note	2023 HK\$'000	2022 HK\$'000
Revenue	4	739,438	607,392
Cost of sales		(309,318)	(290,930)
Gross profit		430,120	316,462
Other income	5	1,690	15,948
Administrative expenses		(399,602)	(379,227)
Other operating expenses	7	(146,239)	(138,222)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	7	19,912	(104,334)
Net fair value loss on investment properties		(25,684)	(22,149)
Other losses — net	6	(9,771)	(8,042)
Finance costs		(52,280)	(39,993)
Share of results of associates		(4,452)	39,956
Share of results of joint ventures		346	(404)
Loss before tax	7	(185,960)	(320,005)
Income tax	8	1,196	3,483
Loss for the year		(184,764)	(316,522)
Attributable to:			
Equity holders of the Company		(146,420)	(277,890)
Non-controlling interests		(38,344)	(38,632)
		(184,764)	(316,522)
		HK\$	HK\$
			(Restated)
Loss per share attributable to equity holders of the Company	9		
Basic and diluted		(0.16)	(0.30)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 HK\$'000	2022 HK\$'000
Loss for the year	(184,764)	(316,522)
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	(12,835)	(40,845)
Exchange differences reclassified to profit or loss upon:		
Liquidation of foreign operations	-	(237)
Derecognition of a foreign associate	13	-
Deemed disposal of a foreign associate	-	(12)
Share of other comprehensive income of associates	12,096	6,357
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	(726)	(34,737)
Other comprehensive 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	(40,895)	(25,901)
Other comprehensive loss for the year, net of tax	(41,621)	(60,638)
Total comprehensive loss for the year	(226,385)	(377,160)
Attributable to:		
Equity holders of the Company	(177,647)	(329,533)
Non-controlling interests	(48,738)	(47,627)
	(226,385)	(377,160)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Intangible assets		21,034	21,034
Fixed assets		960,537	1,003,229
Investment properties		617,149	644,432
Right-of-use assets		161,109	155,841
Interests in associates		819,597	821,898
Interests in joint ventures	11	78,574	76,900
Financial assets at fair value through other comprehensive income		49,300	72,639
Financial assets at fair value through profit or loss		445,303	476,427
Debtors, prepayments and other assets	12	27,351	14,450
Deferred tax assets		5,233	6,937
		<u>3,185,187</u>	<u>3,293,787</u>
Current assets			
Inventories		23,962	25,196
Debtors, prepayments and other assets	12	161,495	111,041
Financial assets at fair value through profit or loss		303,967	308,198
Other financial assets		-	651
Tax recoverable		115	403
Cash and cash equivalents		301,604	652,761
		<u>791,143</u>	<u>1,098,250</u>
Current liabilities			
Bank and other borrowings		141,834	550,922
Lease liabilities		46,837	56,782
Creditors, accruals and other liabilities	13	193,345	194,250
Other financial liability		569	-
Tax payable		116,794	116,456
		<u>499,379</u>	<u>918,410</u>
Net current assets		<u>291,764</u>	<u>179,840</u>
Total assets less current liabilities		<u>3,476,951</u>	<u>3,473,627</u>

	Note	2023 HK\$'000	2022 HK\$'000
Non-current liabilities			
Bank and other borrowings		502,998	312,515
Lease liabilities		125,983	108,601
Creditors, accruals and other liabilities	13	8,542	9,150
Deferred tax liabilities		14,905	20,326
		<u>652,428</u>	<u>450,592</u>
Net assets		<u>2,824,523</u>	<u>3,023,035</u>
Equity			
Equity attributable to equity holders of the Company			
Share capital	14	1,705,907	1,705,907
Reserves		789,854	967,310
		<u>2,495,761</u>	<u>2,673,217</u>
Non-controlling interests		328,762	349,818
Total equity		<u>2,824,523</u>	<u>3,023,035</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 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 2023 and the financial information relating to the year ended 31 December 2022 included in this preliminary announcement of final results for the year ended 31 December 2023 does not constitute the Company’s statutory annual consolidated financial statements for those years but, in respect of the year ended 31 December 2022, 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 2023 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 2022 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 2022. 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 2022, except for the adoption of the following new and revised HKFRSs for the first time for the current year’s final results:

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

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

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s financial statements.

- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group has applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022. Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under HKAS 12.

- (d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to 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;
- (f) the property management segment includes the provision of property management services; and
- (g) the “other” segment comprises principally development and sale of properties, mineral exploration and extraction, the provision of 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 2023

	Property investment	Treasury investment	Securities investment	Food businesses	Healthcare services	Property management	Other	Inter-segment elimination	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue									
External	18,685	5,898	11,849	687,261	-	12,459	3,286	-	739,438
Inter-segment	4,041	-	-	-	-	563	834	(5,438)	-
Total	22,726	5,898	11,849	687,261	-	13,022	4,120	(5,438)	739,438
Segment results	(24,963)	5,898	26,010	(55,206)	(2,708)	9,874	(5,069)	(243)	(46,407)
Unallocated corporate expenses									(95,184)
Finance costs									(40,263)
Share of results of associates	-	-	-	-	7,710	-	(12,162)	-	(4,452)
Share of results of joint ventures	-	-	-	(400)	-	-	746	-	346
Loss before tax									(185,960)
Segment assets	1,201,022	234,458	822,391	739,114	-	722	51,790	(11,706)	3,037,791
Interests in associates	-	-	-	-	489,364	-	330,233	-	819,597
Interests in joint ventures	-	-	41,461	36,019	-	-	1,094	-	78,574
Unallocated assets									40,368
Total assets									3,976,330
Segment liabilities	208,911	-	42,208	349,354	439,257	1,474	375,787	(1,067,435)	349,556
Unallocated liabilities									802,251
Total liabilities									1,151,807
Other segment information:									
Capital expenditure (<i>Note</i>)	-	-	-	46,066	-	4	405	-	46,475
Depreciation	(16,754)	-	-	(113,992)	-	(6)	(94)	3,494	(127,352)
Interest income	-	5,898	1,131	1,840	-	-	2,454	-	11,323
Finance costs	-	-	(33)	(12,288)	-	-	-	304	(12,017)
Loss on disposal of fixed assets	-	-	-	(3,002)	-	-	(93)	-	(3,095)
Loss on derecognition of an associate	-	-	-	-	-	-	(496)	-	(496)
Provisions for impairment losses on:									
A joint venture	-	-	-	-	-	-	(34)	-	(34)
Inventories	-	-	-	(1,539)	-	-	-	-	(1,539)
Loans and receivables	-	-	(237)	-	-	-	(1,562)	-	(1,799)
Net fair value gain on financial instruments at fair value through profit or loss	-	-	19,912	-	-	-	-	-	19,912
Net fair value loss on investment properties	(25,684)	-	-	-	-	-	-	-	(25,684)
Unallocated:									
Capital expenditure (<i>Note</i>)									141
Depreciation									(5,891)
Finance costs									(40,263)
Loss on disposal of fixed assets									(3)

Year ended 31 December 2022

	Property investment HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Food businesses HK\$'000	Healthcare services HK\$'000	Property management HK\$'000	Other HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
Revenue									
External	17,177	3,613	11,606	560,256	-	12,857	1,883	-	607,392
Inter-segment	3,857	-	-	-	-	516	3,287	(7,660)	-
Total	21,034	3,613	11,606	560,256	-	13,373	5,170	(7,660)	607,392
Segment results	(22,981)	3,613	(100,806)	(110,714)	(1,823)	9,092	(7,843)	(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	-	610	8,399	(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	1,221	338,932	(1,003,780)	468,071
Unallocated liabilities									900,931
Total liabilities									1,369,002
Other segment information:									
Capital expenditure (<i>Note</i>)	213	-	-	36,466	-	10	437	-	37,126
Depreciation	(16,916)	-	-	(102,154)	-	(12)	(127)	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									

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

Geographical information

(a) Revenue from external customers

	2023	2022
	HK\$'000	HK\$'000
Hong Kong	255,262	196,285
Mainland China	7,495	9,134
Republic of Singapore	452,911	391,649
Malaysia	10,522	2,527
Other	13,248	7,797
	739,438	607,392

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

(b) Non-current assets

	2023	2022
	HK\$'000	HK\$'000
Hong Kong	1,118,882	1,119,692
Mainland China	150,752	171,701
Republic of Singapore	948,430	970,424
Malaysia	311,882	334,169
Other	131,341	130,254
	2,661,287	2,726,240

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\$114,667,000 for the year ended 31 December 2023 (2022 — HK\$91,801,000) was derived from sales by the food businesses segment to a single customer.

4. REVENUE

An analysis of revenue is as follows:

	2023	2022
	HK\$'000	HK\$'000
Revenue from contracts with customers:		
Revenue from food manufacturing operation	324,523	266,461
Revenue from restaurant operation	359,901	291,065
Provision of management services	12,855	13,981
	<hr/> 697,279 <hr/>	<hr/> 571,507 <hr/>
Revenue from other sources:		
Property rental income from operating leases:		
Variable lease payments that do not depend on an index or a rate	587	522
Other lease payments, including fixed payments	18,098	16,655
	<hr/> 18,685 <hr/>	<hr/> 17,177 <hr/>
Interest income	11,323	6,559
Dividend income	10,718	10,351
Other	1,433	1,798
	<hr/> 42,159 <hr/>	<hr/> 35,885 <hr/>
	<hr/> 739,438 <hr/> <hr/>	<hr/> 607,392 <hr/> <hr/>

Revenue from contracts with customers

Disaggregated revenue information

Segments	Food businesses HK\$'000	Property management HK\$'000	Other HK\$'000	Total HK\$'000
Year ended 31 December 2023				
Types of goods or services:				
Revenue from food manufacturing operation	324,523	-	-	324,523
Revenue from restaurant operation	359,901	-	-	359,901
Provision of management services	-	12,459	396	12,855
Total revenue from contracts with customers	<u>684,424</u>	<u>12,459</u>	<u>396</u>	<u>697,279</u>
Geographical markets:				
Hong Kong	227,488	10,437	396	238,321
Mainland China	-	2,022	-	2,022
Republic of Singapore	447,288	-	-	447,288
Malaysia	9,648	-	-	9,648
Total revenue from contracts with customers	<u>684,424</u>	<u>12,459</u>	<u>396</u>	<u>697,279</u>
Timing of revenue recognition:				
Goods transferred at a point in time	684,424	-	-	684,424
Services transferred over time	-	12,459	396	12,855
Total revenue from contracts with customers	<u>684,424</u>	<u>12,459</u>	<u>396</u>	<u>697,279</u>
Year ended 31 December 2022				
Types of goods or services:				
Revenue from food manufacturing operation	266,461	-	-	266,461
Revenue from restaurant operation	291,065	-	-	291,065
Provision of management services	-	12,857	1,124	13,981
Total revenue from contracts with customers	<u>557,526</u>	<u>12,857</u>	<u>1,124</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
Total revenue from contracts with customers	<u>557,526</u>	<u>12,857</u>	<u>1,124</u>	<u>571,507</u>
Timing of revenue recognition:				
Goods transferred at a point in time	557,526	-	-	557,526
Services transferred over time	-	12,857	1,124	13,981
Total revenue from contracts with customers	<u>557,526</u>	<u>12,857</u>	<u>1,124</u>	<u>571,507</u>

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

Segments	Food businesses HK\$'000	Property management HK\$'000	Other HK\$'000	Total HK\$'000
Year ended 31 December 2023				
Revenue from contracts with customers				
External customers	684,424	12,459	396	697,279
Inter-segment	-	563	834	1,397
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	684,424	13,022	1,230	698,676
Revenue from other sources — external	2,837	-	2,890	5,727
	<hr/>	<hr/>	<hr/>	<hr/>
Total segment revenue	<u>687,261</u>	<u>13,022</u>	<u>4,120</u>	<u>704,403</u>
Year ended 31 December 2022				
Revenue from contracts with customers				
External customers	557,526	12,857	1,124	571,507
Inter-segment	-	516	3,287	3,803
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	557,526	13,373	4,411	575,310
Revenue from other sources — external	2,730	-	759	3,489
	<hr/>	<hr/>	<hr/>	<hr/>
Total segment revenue	<u>560,256</u>	<u>13,373</u>	<u>5,170</u>	<u>578,799</u>

5. OTHER INCOME

	2023 HK\$'000	2022 HK\$'000
Government grants (<i>Note</i>)	<u>1,690</u>	<u>15,948</u>

Note: Government grants mainly represent subsidies received in Singapore (2022 — Hong Kong and Singapore). There are no unfulfilled conditions or other contingencies attaching to these grants.

6. OTHER LOSSES — NET

	2023 HK\$'000	2022 HK\$'000
Loss on disposal of fixed assets	(3,098)	(99)
Loss on deemed disposal of an associate	-	(45)
Loss on derecognition of an associate	(496)	-
Provisions for impairment losses on:		
A joint venture	(34)	(62)
Inventories	(1,539)	(1,868)
Loans and receivables	(1,799)	(153)
Fixed assets written off	-	(57)
Foreign exchange losses — net	(2,805)	(5,995)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	-	237
	<hr/>	<hr/>
	<u>(9,771)</u>	<u>(8,042)</u>

7. LOSS BEFORE TAX

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

	2023 HK\$'000	2022 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	30,993	(89,469)
Debt securities	(3,061)	(1,824)
Investment funds	(6,661)	(9,978)
Derivative financial instruments	(1,359)	(3,063)
	<u>19,912</u>	<u>(104,334)</u>
Interest income:		
Loans and advances	4,195	1,640
Financial assets at fair value through profit or loss	940	1,255
Other	6,188	3,664
Depreciation of fixed assets	(70,987)	(67,779)
Depreciation of right-of-use assets	(62,256)	(56,429)
Cost of inventories sold [#]	(307,572)	(288,821)
Selling and distribution expenses ^{##}	(45,241)	(41,800)
Legal and professional fees ^{##}	(17,403)	(18,264)
Consultancy and service fees ^{##}	(9,135)	(10,989)
Utilities charges ^{##}	(13,424)	(11,705)
	<u><u>19,912</u></u>	<u><u>(104,334)</u></u>

[#] The amount included depreciation of fixed assets of HK\$20,507,000 (2022 — HK\$22,053,000) and employee benefit expense of HK\$26,558,000 (2022 — HK\$28,516,000).

^{##} The amounts are included in "Other operating expenses" in the consolidated statement of profit or loss.

8. INCOME TAX

	2023 HK\$'000	2022 HK\$'000
Hong Kong:		
Overprovision in prior years	-	(10)
Deferred	(970)	109
	<u>(970)</u>	<u>99</u>
Mainland China and overseas:		
Charge for the year	3,423	3,639
Overprovision in prior years	(1,312)	(1,749)
Deferred	(2,337)	(5,472)
	<u>(226)</u>	<u>(3,582)</u>
Total credit for the year	<u><u>(1,196)</u></u>	<u><u>(3,483)</u></u>

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (2022 — 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% (2022 — 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. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(a) Basic loss per share

Basic loss per share is calculated based on (i) the consolidated loss for the year attributable to equity holders of the Company; and (ii) the weighted average number of approximately 918,691,000 ordinary shares (2022 (restated) — approximately 918,691,000 ordinary shares) in issue during the year.

On 6 June 2023, every ten issued ordinary shares of the Company were consolidated into one share (the “Share Consolidation”). For the year ended 31 December 2022, the weighted average number of ordinary shares has been adjusted for the effect of the Share Consolidation.

(b) Diluted loss per share

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

10. DIVIDEND

	2023 HK\$'000	2022 HK\$'000
Interim dividend, declared — Nil (2022 — HK0.35 cents per ordinary share before Share Consolidation)	-	32,154
Final dividend, proposed — Nil (2022 — Nil)	-	-
	<u>-</u>	<u>32,154</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:

	2023 HK\$'000	2022 HK\$'000
Outstanding balances with ages:		
Within 30 days	28,062	28,189
Between 31 and 60 days	21,258	19,105
Between 61 and 90 days	14,413	12,155
Over 90 days	396	582
	<u>64,129</u>	<u>60,031</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:

	2023 HK\$'000	2022 HK\$'000
Outstanding balances with ages:		
Within 30 days	28,076	32,617
Between 31 and 60 days	11,620	10,601
Between 61 and 90 days	2,804	460
Over 90 days	1,237	1,642
	<u>43,737</u>	<u>45,320</u>

14. SHARE CAPITAL

	Number of ordinary shares	HK\$'000
Issued and fully paid:		
At 1 January 2022, 31 December 2022 and 1 January 2023	9,186,912,716	1,705,907
Share Consolidation (<i>Note</i>)	(8,268,221,445)	-
At 31 December 2023	<u>918,691,271</u>	<u>1,705,907</u>

Note: Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 2 June 2023, every ten issued ordinary shares of the Company were consolidated into one share. The Share Consolidation became effective on 6 June 2023.

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company have no par value.

BUSINESS REVIEW

Overview

With the COVID-19 pandemic (the “Pandemic”) health crisis over, the global economy gradually recovered from the Pandemic in 2023 but growth remained sluggish. Forces hindered growth such as high interest rates, tight monetary and fiscal policies and geopolitical tensions persisted during the year ended 31 December 2023 (the “Year”). The Singapore economy expanded by 1.1% in 2023 which was lower than the 3.8% expansion in 2022. Following the removal of the Pandemic’s restrictions and the opening of its borders, the economy of mainland China recorded a significant rebound in the first quarter of the Year. However, mainland China’s economy was affected by the weak property market and consumption growth during the Year. The global stock markets were volatile with the Hong Kong market underperformed the major US and European markets in 2023.

Results for the Year

Against this backdrop, the Group recorded a consolidated loss attributable to shareholders of HK\$146 million for the Year, as compared to a consolidated loss of HK\$278 million for the year ended 31 December 2022 (“2022”). The decrease in loss was mainly attributable to the improvement in the performance of the Group’s food businesses and the net fair value gain on financial instruments at fair value through profit or loss of the Group during the Year while a net fair value loss was recorded in 2022.

Revenue for the Year increased to HK\$739 million (2022 — HK\$607 million), of which 61% (2022 — 64%) and 35% (2022 — 32%) were generated from Singapore and Hong Kong, respectively. Food businesses remain the principal sources of revenue of the Group. Revenue in Hong Kong and Singapore continues to show improvement post-Pandemic and food businesses registered 23% increase in revenue, contributing to 93% (2022 — 92%) 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, and consultancy and service fees. Other operating expenses amounted to HK\$146 million for the Year (2022 — HK\$138 million). Finance costs increased to HK\$52 million (2022 — HK\$40 million), which was largely driven by higher interest rates during the Year.

Food businesses

The Group’s food businesses segment recorded a revenue of HK\$687 million for the Year (2022 — HK\$560 million), mainly from food retail operations in chains of cafés and bistros and food manufacturing which revenue increased by 24% and 22%, respectively. The Group is currently operating restaurants under the brands such as “Chatterbox Café”, “Chatterbox Express”, “Délifrance”, “alfafa” and “Lippo Chiuchow Restaurant”. A new concept store “Délifrance Bistro” and two new Chatterbox Cafés were opened in Hong Kong during the Year. Benefiting from the lifting of the dine-in restrictions and social gatherings in late 2022 and the opening of new outlets, the revenue of the food retail business in Hong Kong greatly increased by 34% during the Year. The performance of the Group’s food manufacturing business in Singapore and Malaysia also improved during the Year mainly due to enhanced operational cost management and higher sales revenue. However, the operating environment of the food businesses of the Group as a whole remained challenging as such businesses continued to suffer from intense competition, manpower shortages, higher operating costs and slower-than-expected economic recovery. As a result, the segment incurred a loss of HK\$55 million for the Year (2022 — HK\$111 million).

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\$23 million (2022 — HK\$21 million).

The Group's property investment portfolio mainly comprises commercial properties in Hong Kong and mainland China. The property market sentiments in these regions continued to be sluggish. The Group recorded a net fair value loss on investment properties of HK\$26 million for the Year (2022 — HK\$22 million). As a result, the property investment segment recorded a loss of HK\$25 million for the Year (2022 — HK\$23 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\$18 million during the Year (2022 — HK\$15 million). Driven by the good return from the overseas stock markets, the Group recorded a net fair value gain of HK\$20 million in the statement of profit or loss from its securities investments for the Year as compared with a loss of HK\$105 million in 2022 under this segment. As a result, the treasury and securities investments businesses recorded a profit of HK\$32 million in the statement of profit or loss for the Year (2022 — loss of HK\$97 million).

The Group cautiously manages the mix of its investment portfolio. As at 31 December 2023, the treasury and securities investment portfolio of HK\$1,057 million (31 December 2022 — HK\$1,370 million) comprised mainly cash and bank balances of HK\$243 million (31 December 2022 — HK\$505 million), financial assets at fair value through profit or loss ("FVPL") of HK\$749 million (31 December 2022 — HK\$785 million) and financial assets at fair value through other comprehensive income ("FVOCI") of HK\$49 million (31 December 2022 — HK\$73 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 2023, the Group's financial assets at FVPL amounted to HK\$749 million (31 December 2022 — HK\$785 million), comprising equity securities of HK\$279 million (31 December 2022 — HK\$235 million), debt securities of HK\$38 million (31 December 2022 — HK\$41 million) and investment funds of HK\$432 million (31 December 2022 — HK\$509 million).

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

	As at 31 December 2023		As at 31 December 2022		Year ended 31 December 2023
	Fair value	Approximate percentage of financial assets at FVPL	Approximate percentage to the total assets	Fair value	Net fair value gain
	HK\$'000			HK\$'000	HK\$'000
GSH Corporation Limited ("GSH")	77,753	10.4%	2.0%	72,918	4,835
Amasia CIV T, L.P. ("Amasia")	56,150	7.5%	1.4%	56,111	39
Quantedge Global Fund ("Quantedge")	42,086	5.6%	1.1%	49,860	10,742
Others (Note)	573,281	76.5%	14.3%	605,736	5,655
Total	<u>749,270</u>	<u>100.0%</u>	<u>18.8%</u>	<u>784,625</u>	<u>21,271</u>

Note: Others comprised of various securities, none of which accounted for more than 5% of financial assets at FVPL as at 31 December 2023.

GSH

As at 31 December 2023, the fair value of the Group's equity securities in GSH amounted to HK\$78 million, representing approximately 10.4% and 2.0% of the Group's total financial assets at FVPL and total assets, respectively. An unrealised fair value gain of HK\$5 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 2023, the fair value of the Group's debt securities in GSH amounted to HK\$19 million, representing approximately 2.5% and 0.5% 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 properties under development in Malaysia and mainland China. The first phase of its residential project in mainland China has been completed and sold units were handed over to the buyers in 2023. 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 in Sabah. GSH's hospitality business continues to show improvement due to the tourism recovery in Malaysia. Since the reopening of travel between Malaysia and mainland China, there has been an increase in interest from buyers from mainland China for GSH's Malaysian properties. In addition, the easing of requirements for the Malaysia My Second Home programme is expected to provide further upside for the GSH's property business in Malaysia. However, the real estate market in mainland China remains challenging.

Amasia

Amasia is a single portfolio fund which invested in Dialpad, Inc. ("Dialpad"). Dialpad offers a suite of business communications software, including its namesake Dialpad product, a "PBX in the cloud", as well as Dialpad Meetings, a lightweight conference calling solution. Dialpad will adopt a focused sales strategy in 2024, centered around its Ai Contact Center and sales products. The Group invested US\$2 million into Amasia in 2015 for long-term capital gain. As at 31 December 2023, the fair value of the Group's investment in Amasia maintained at HK\$56 million, representing approximately 7.5% and 1.4% of the Group's total financial assets at FVPL and total assets, respectively.

Quantedge

Quantedge is an unlisted investment fund which aims to achieve absolute long-term capital growth by investing in multiple asset classes across the globe. The performance of Quantedge is satisfactory. Cumulated fair value gain has been recognised by the Group in prior years and fair value gain of HK\$11 million was recorded by the Group for the Year. In line with the objective of the Group to manage its investment portfolio by adopting a proactive but prudent approach, partial redemption of investment in Quantedge has been made since 2022 to realise the cumulated fair value gain and to re-allocate the proceeds for general working capital. During the Year, the Group partially redeemed HK\$19 million of the investment. As a result, the fair value of the Group's investment in Quantedge decreased to HK\$42 million as at 31 December 2023, representing approximately 5.6% and 1.1% of the Group's total financial assets at FVPL and total assets, respectively.

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 2023, the fair value of such investments amounted to HK\$49 million (31 December 2022 — HK\$73 million). The decrease of financial assets at FVOCI during the Year was mainly due to the fair value loss recorded in other comprehensive income of HK\$41 million offset with acquisition of a listed equity investment of HK\$17 million during the Year.

GenieBiome Holdings Limited (“GB”) is one of the major investments in this category. As at 31 December 2023, the fair value of the Group’s investment in GB amounted to HK\$18 million, representing approximately 36.0% and 0.4% of the Group’s total financial assets at FVOCI and total assets, 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 has pioneered the use of microbiome with evidence-based science to tackle a myriad of diseases, revolutionising the prevention, diagnosis and treatment of disease. Its portfolio includes diagnostic and risk prediction tests, next-generation microbiome precision formula and precision medicine tailored for the Asian population. GB has a pipeline of new products to be launched in market as well as continuing its research and development on microbiome. The performance of GB is satisfactory and dividend income was received during the Year. The Group recorded an unrealised fair value loss of HK\$1 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 has a wide network of over 130 clinics and medical centres, mainly 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 posted stronger revenue for the Year. The revenue growth was contributed by an increase in revenue from the specialist healthcare segment, offset by the decrease in revenue from primary healthcare segment. As Singapore enters into an endemic COVID-19 new norm, revenue contribution from COVID-19 projects tapered off. However, such impact was mitigated by an increase in patient volume in the primary healthcare segment and the contribution from the acquisition of general practice clinics during the Year. As a result of higher operating costs following the change in revenue mix, the Group recognised a share of profit of HK\$8 million (2022 — HK\$29 million) from Healthway for the Year. As at 31 December 2023, the Group’s interest in Healthway amounted to HK\$489 million (31 December 2022 — HK\$474 million).

The Healthway Group is an active participant of Healthier SG focusing on preventive health, with 65 clinics in its network already enrolled in Healthier SG. This is in line with the Healthway Group’s steadfast commitment to empower individuals to take charge of their health through preventive care, by enrolling with a family doctor to support them in their healthcare needs throughout their lives. Apart from encouraging both its patients and clinics to embark on the Healthier SG journey, the Healthway Group has continued to grow its primary care clinic network. During the Year, the Healthway Group set up a total of seven greenfield clinics and acquired six clinics. Since the lifting of all border restrictions in February 2023, Singapore has continued to experience an influx of foreign patients seeking medical treatment. The Healthway Group has been well-prepared to cater to this surging demand as bolstering its specialist healthcare segment has been a priority over the past few years. A prime example of its commitment in this area is the acquisition of UROHEALTH Pte Ltd., one of the largest private urology practices in Singapore.

In October 2023, a wholly-owned subsidiary of OUE Healthcare Limited (“OUEH”, together with its subsidiaries, the “OUEH Group”) completed the exit offer for all the issued ordinary shares in Healthway, other than those already owned, controlled or agreed to be acquired by the OUEH Group and parties acting in concert with it, and acquired 26.2% interest in Healthway. Healthway was delisted from the sponsor-supervised listing platform (the “Catalist Board”) of the SGX-ST with effect from 8 November 2023. OUEH, a subsidiary of OUE Limited (“OUE”) listed on the Catalist Board of the SGX-ST, is a regional healthcare group that operates and owns high-quality healthcare assets in high-growth Asian markets. OUE is a joint venture of Hongkong Chinese Limited, a subsidiary of Lippo Limited which in turn is the holding company of the Company. Accordingly, the exit offer did not extend to the Group. The potential

synergies between the Healthway Group and the OUEH Group will provide cost-saving opportunities through streamlining of operations and economies of scale.

Other business

The Group recorded a share of loss 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 (2022 — a profit of HK\$10 million). Such loss was mainly attributable to fair value loss on its investments at fair value through profit or loss and operating expenses. The Group’s interests in TIH as at 31 December 2023 amounted to HK\$286 million (31 December 2022 — HK\$298 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. Despite market volatility, the TIH Group continues to achieve consistent growth in its recurring income derived from its fund management business. Private equity deals in Southeast Asia have slowed significantly post-Pandemic due to a challenging business environment characterised by rising interest rates, persistent global inflationary pressures and ongoing geopolitical tensions. While deal values have not yet recovered from pre-Pandemic highs, they have picked up towards the end of 2023 and are expected to continue seeing a sustained increase. Southeast Asia continues to remain an attractive investment destination for private equity firms, and sectors exposed to the rising middle class and global megatrends such as healthcare, clean energy, digital and physical infrastructure should continue to drive deal flow. In the face of prolonged higher interest rates impacting business sentiments, companies may shift focus towards operational efficiencies and divest non-core businesses, presenting opportunities. The TIH Group will stay vigilant, actively seeking opportunities in special situations, corporate deleveraging and non-core secondary assets at attractive valuations.

Financial Position

The Group’s financial position remained healthy. As at 31 December 2023, its total assets amounted to HK\$4.0 billion (31 December 2022 — HK\$4.4 billion). Total liabilities amounted to HK\$1.2 billion (31 December 2022 — HK\$1.4 billion). As at 31 December 2023, total cash and cash equivalents amounted to HK\$0.3 billion (31 December 2022 — HK\$0.7 billion). Current ratio as at 31 December 2023 was 1.6 (31 December 2022 — 1.2).

Total bank and other borrowings of the Group as at 31 December 2023 reduced to HK\$645 million (31 December 2022 — HK\$863 million). The borrowings were principally denominated in Hong Kong dollars and Malaysian ringgits (31 December 2022 — Hong Kong dollars, Singapore dollars and Malaysian ringgits).

As at 31 December 2023, bank loans amounted to HK\$645 million (31 December 2022 — HK\$852 million). All bank loans were secured by fixed and floating charges on certain properties and assets of certain subsidiaries of the Group. All the Group’s bank loans 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, the balance also included a secured fixed rate loan from a third party of HK\$11 million. Such loan was fully repaid during the Year.

Following the successful refinancing of certain bank loans, only approximately 22% of the bank and other borrowings as at 31 December 2023 (31 December 2022 — 64%) were repayable within one year. As at 31 December 2023, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 24.8% (31 December 2022 — 28.6%).

The consolidation of every ten ordinary shares of the Company into one consolidated share of the Company (the “Share Consolidation”) became effective on 6 June 2023. The Share Consolidation does not have any material impact on the financial position or performance of the Group. As at 31 December 2023, the net asset value attributable to equity holders of the Company amounted to HK\$2.5 billion (31 December 2022 — HK\$2.7 billion). This was equivalent to HK\$2.7 per share as at 31 December 2023 (31 December 2022 — HK\$2.9 per share, restated based on the number of shares after Share Consolidation).

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 2023, the Group has secured bankers’ guarantees of HK\$1 million (31 December 2022 — HK\$1 million) and unsecured bankers’ guarantees of HK\$4 million (31 December 2022 — HK\$3 million). The secured bankers’ guarantees were secured by 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 2022 — Nil).

Total capital commitment of the Group as at 31 December 2023 amounted to HK\$88 million (31 December 2022 — HK\$121 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 815 full-time employees as at 31 December 2023 (31 December 2022 — 740 full-time employees). Staff costs (including directors’ emoluments) charged to the statement of profit or loss for the Year amounted to HK\$290 million (2022 — HK\$283 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 conflicts in Ukraine and the Middle East may continue to affect the global trade and investment. The Israel Hamas conflict has sharply heightened geopolitical risks. The disruption to key shipping routes caused by attacks on vessels in the Red Sea may affect the supply chains and increase production costs which in return, may increase the inflation pressures. The Ministry of Trade and Industry in Singapore has maintained the GDP growth forecast for Singapore for 2024 to 1.0% to 3.0%. Inbound tourism and private consumption are expected to underpin economic growth in Hong Kong. However, external environment remains unfavourable and economic uncertainties would continue to weigh on exports of goods and investment and consumption sentiment. Mainland China continues to be affected by sluggish domestic consumption and export growth as well as weak property market conditions. Escalating geopolitical fragmentation, tighter credit availability and weaker business investment may affect the economic growth in 2024. Amid the challenging operating environment, the Group and its associates will cautiously manage their businesses and monitor their assets and investment portfolios. They will also continue to exercise prudent capital management.

DIVIDENDS

The Directors have resolved not to recommend payment of any final dividend for the year ended 31 December 2023 (2022 — Nil). No interim dividend was declared for the year ended 31 December 2023 (2022 — HK0.35 cents per share, approximately HK\$32.2 million).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024 (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 Thursday, 6 June 2024 (the "2024 AGM"). In order to be entitled to attend and vote at the 2024 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 Friday, 31 May 2024.

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

During the year ended 31 December 2023, 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 C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31 December 2023.

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 2023.

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 2023 (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, 27 March 2024

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.