Lippo Limited
力寶有限公司

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

2020 ANNUAL REPORT

Contents

	Page
Corporate Information	2
Chairman's Statement	3
Report of the Directors	5
Corporate Governance Report	36
Risk Management Report	48
Environmental, Social and Governance Report	56
Independent Auditor's Report	80
Consolidated Statement of Profit or Loss	86
Consolidated Statement of Comprehensive Income	87
Consolidated Statement of Financial Position	88
Consolidated Statement of Changes in Equity	90
Consolidated Statement of Cash Flows	92
Notes to the Financial Statements	94
Particulars of Principal Subsidiaries	193
Particulars of Principal Associates	203
Particulars of Principal Joint Ventures	205
Particulars of Joint Operation	206
Schedule of Major Properties	207
Summary of Financial Information	211
Supplementary Financial Information	212

Corporate Information

HONORARY CHAIRMAN*

Dr. Mochtar Riady

BOARD OF DIRECTORS

Executive Directors

Dr. Stephen Riady *(Chairman)*
Mr. John Luen Wai Lee, BBS, JP
(Managing Director and Chief Executive Officer)

Non-executive Directors

Mr. Jark Pui Lee, SBS, OBE, JP
Mr. Leon Nim Leung Chan

Independent non-executive Directors

Mr. Edwin Neo
Mr. King Fai Tsui
Mr. Victor Ha Kuk Yung

COMMITTEES

Audit Committee

Mr. Victor Ha Kuk Yung *(Chairman)*
Mr. Leon Nim Leung Chan
Mr. Edwin Neo
Mr. King Fai Tsui

Remuneration Committee

Mr. King Fai Tsui *(Chairman)*
Mr. Leon Nim Leung Chan
Mr. Victor Ha Kuk Yung
Mr. Edwin Neo
Dr. Stephen Riady

Nomination Committee

Mr. King Fai Tsui *(Chairman)*
Mr. Leon Nim Leung Chan
Mr. Victor Ha Kuk Yung
Mr. Edwin Neo
Dr. Stephen Riady

SECRETARY

Mr. Davy Kwok Fai Lee

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
China CITIC Bank International Limited
UBS AG

SOLICITORS

Howse Williams

REGISTRAR

Tricor Progressive Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

40th Floor, Tower Two
Lippo Centre
89 Queensway
Hong Kong

STOCK CODE

226

WEBSITE

www.lippoltd.com.hk

* *non-officer position*

Chairman's Statement

I hereby present the annual report of the Company (together with its subsidiaries, the "Group") for the nine months ended 31 December 2020 (the "Period").

The operating environment for the Period was challenging. The COVID-19 pandemic has had far-reaching economic and social consequences around the globe. The performance and the operation of the Group together with its associates and joint ventures (led by OUE Limited, together with its subsidiaries, the "OUE Group") were inevitably affected.

Despite the adverse business environment, the Group implemented its strategy of rationalising non-core assets. In the financial services sector, the Group disposed of its remaining 20% interest in The Macau Chinese Bank Limited for approximately MOP322 million (equivalent to approximately HK$312 million).

During the Period, the OUE Group completed the acquisition of plots of land with a total area of approximately 8,000 square metres in the central business district in South Jakarta, Indonesia and the disposal of U.S. Bank Tower in Los Angeles, California, the United States of America. OUE Commercial Real Estate Investment Trust ("OUE C-REIT"), one of the largest diversified Singapore REITs, also announced in January 2021 the divestment of a 50% interest in OUE Bayfront. Such divestment will allow OUE C-REIT to realise the value of capital appreciation and enhance long-term returns for its unitholders. Although the hospitality segment of OUE C-REIT was adversely affected by the travel restrictions, social distancing and various containment measures imposed by the Singapore Government to curb the spread of pandemic, it is expected that the hospitality sector will be able to regain recovery momentum once the various restrictive measures are uplifted.

Demand for quality healthcare in the Asia-Pacific region remains strong given the growth in the aging population. The Group is optimistic about the prospects in the healthcare sector. OUE Lippo Healthcare Limited continued to strengthen its joint venture relationship with the China Merchants group by securing a long term lease for operation of a new Obstetrics & Gynaecology Specialist Hospital in Changshu, Jiangsu Province, the People's Republic of China (the "PRC"), in addition to other hospital undertakings in the PRC as well as hospital and clinic operations and nursing homes in certain other Asian countries. The patient loads of the medical centres and clinics of Healthway Medical Corporation Limited ("HMC") were adversely affected by the circuit breaker measures imposed by the Singapore Government during the outbreak of the pandemic. With the recovery of the COVID-19 situation and the uplifting of lockdown measures in Singapore, the operating environment of HMC was improved. In addition, HMC has actively participated in the Singapore Government's range of initiatives for fighting the pandemic by managing three vaccination centres for COVID-19 vaccines and performing COVID-19 Polymerase Chain Reaction testing, serology testing and pre-departure tests.

Various COVID-19 containment measures affected the food businesses of the Group during the Period. With the COVID-19 pandemic expected to continue through 2021, challenges and uncertainties for food businesses remain. The recovery of the food businesses is expected to be slow until the lifting of the various restrictive measures. The Group has diversified its brands by introducing "Chatterbox Café" and "Chatterbox Express" in Hong Kong. The performance of the new brands are encouraging amid the difficult operating environment.

The PRC is the only major economy in the world reporting economic growth in 2020 after successfully controlling the pandemic, while Singapore and other Asian countries in which the Group and its associates and joint ventures have operations are at varying degrees of lockdown, relaxation of control measures and economic recovery on the back of vaccine rollout. However, as the pandemic is widely expected to persist in 2021, uncertainties and risks in the global economy remain. The Group and its associates and joint ventures will continue to exercise prudence in capital and expenditure management as well as seeking for new business opportunities.

Faced with the unprecedented challenge of the COVID-19 pandemic, the Group implemented different safety measures for its employees such as distributing free surgical masks and offering work from home arrangement and flexible working hours during the Period.

The Group recorded a consolidated loss attributable to shareholders of approximately HK$675 million for the Period, as compared to a consolidated loss of approximately HK$10 million for the year ended 31 March 2020. The loss was largely due to fair value losses on investment properties, operating loss due to COVID-19 pandemic and share of loss of joint ventures while partially offset by the gain on disposal by the Group of a joint venture and net fair value gain on financial instruments at fair value through profit or loss during the Period.

The Directors have proposed a final cash dividend of HK3 cents per share for the Period. Together with the interim dividend, total dividends for the Period will be HK7 cents per share.

I would like to give my heartfelt thanks to my fellow Directors, our management and staff for their contributions and diligent work during such challenging times as well as to shareholders for their continued support to the Company.

Stephen Riady
Chairman

30 March 2021

Report of the Directors

The Directors hereby present their report together with the audited financial statements for the nine months ended 31 December 2020 (the "Period").

BUSINESS REVIEW

Overview

The prolonged novel coronavirus (COVID-19) pandemic has severely impacted businesses and economies worldwide. Various COVID-19 containment measures such as travel restrictions and social distancing measures are still implemented in different parts of the world including the places at which the Group and its associates and joint ventures have operations. The businesses of the Group and its associates and joint ventures were affected by the pandemic.

Results for the Period

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

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

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

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

BUSINESS REVIEW *(continued)*

Results for the Period *(continued)*

The Group's other operating expenses mainly included selling and distribution expenses and utilities charges for food businesses, legal and professional fees, consultancy and service fees, and repairs and maintenance expenses. Other operating expenses amounted to HK$175 million for the Period (year ended 31 March 2020 — HK$239 million).

Property investment

The total segment revenue for the Period amounted to HK$66 million (year ended 31 March 2020 — HK$95 million). Segment revenue was mainly attributable to recurrent rental income from the Group's investment properties of HK$20 million (year ended 31 March 2020 — HK$34 million) and interest income from the loans to joint ventures of the Company of HK$46 million (year ended 31 March 2020 — HK$61 million). The Group's property investment portfolio is located mainly in Hong Kong and mainland China. Following the downturn in the economy, the occupancy rate of the property investment portfolio dropped. The Group, like other landlords in Hong Kong, offered rent concessions to its tenants to allow them to cope with such worsening economic conditions. Accordingly, the rental income for the Period dropped.

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

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

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

BUSINESS REVIEW *(continued)*

Results for the Period *(continued)*

Property investment *(continued)*

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

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

BUSINESS REVIEW *(continued)*

Results for the Period *(continued)*

Property investment *(continued)*

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

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

Property development

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

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

BUSINESS REVIEW *(continued)*

Results for the Period *(continued)*

Food businesses

The Group's food businesses segment recorded a revenue of HK$446 million (year ended 31 March 2020 — HK$785 million), mainly from food manufacturing and food retail operations in chains of cafés and bistros. The substantial decrease in revenue was mainly due to the completion of the disposal of the food court business in October 2019, the adverse impact of the prolonged COVID-19 pandemic on the Group's food businesses for the Period and the shorter reporting period due to the change of financial year end date. The food retail operations were subject to tight social distancing measures, seating restrictions, reduced dining hours and other restrictive policies. The customer traffic dropped significantly. In particular, the Chinese restaurant was affected significantly due to the cancellation of banquets and events under the restrictive policies of the local government during the COVID-19 pandemic. Other than launching different promotions and takeaway product activities, e-commerce business strategy has been implemented to drive takeaway and delivery sales through on-line delivery platforms. The local government's Anti-epidemic Fund and wage subsidies for Employment Support Scheme helped to offset some of these effects. The food manufacturing business in Malaysia under-performed during the Period as the factory is still in limited commercial operation due to various movement control orders in Malaysia during the outbreak of COVID-19. The food businesses segment reported a loss of HK$23 million for the Period (year ended 31 March 2020 — profit of HK$278 million, which included a gain on disposal of subsidiaries of HK$343 million).

The Group will continue to focus on its food manufacturing business and food retail business. The Group has been expanding its food retail business, including the opening of second line of Chatterbox in Hong Kong under the trade name "Chatterbox Express", the first outlet of which was opened in October 2020 in Taikoo Shing. In December 2020, the Group entered into franchise agreements with Chatexpress Pte. Ltd. ("Chatexpress") which formally establish the franchise arrangements to enable the Group to use the know-hows from Chatexpress to expand the food retail business by opening restaurants under the brands of "Chatterbox Café" and "Chatterbox Express" in Hong Kong. The Group is also currently operating restaurants under the brands "alfafa" and "Delifrance". The operation of Chatterbox Café and Chatterbox Express provided a new cuisine but leveraged on the Group's existing expertise. The diversity places the Group in a stronger position for its development and growth strategy of its food retail business.

BUSINESS REVIEW *(continued)*

Results for the Period *(continued)*

Treasury and securities investments

The Group managed its investment portfolio in accordance with its investment committee's terms of reference and looked for opportunities to enhance yields and seek gains. The Group invested in a diversified portfolio mainly including listed and unlisted equity securities, debt securities and investment funds. Treasury and securities investments businesses recorded a total revenue of HK$19 million during the Period (year ended 31 March 2020 — HK$33 million), mainly attributable to the dividend income received from the investment portfolio. The Group recorded net fair value gain in the statement of profit or loss from its securities investments of HK$129 million for the Period (year ended 31 March 2020 — loss of HK$159 million) under this segment. As a result, the treasury and securities investments businesses recorded a net profit of HK$139 million in the statement of profit or loss for the Period (year ended 31 March 2020 — loss of HK$131 million).

As at 31 December 2020, the treasury and securities investments portfolio of HK$2,225 million (31 March 2020 — HK$2,020 million) comprised mainly cash and bank balances of HK$1,070 million (31 March 2020 — HK$1,070 million), financial assets at fair value through profit or loss ("FVPL") of HK$1,047 million (31 March 2020 — HK$842 million) and financial assets at fair value through other comprehensive income ("FVOCI") of HK$103 million (31 March 2020 — HK$106 million). Further details of securities investments under different categories are as follows:

Financial assets at fair value through profit or loss

As of 31 December 2020, the Group's financial assets at FVPL amounted to HK$1,047 million (31 March 2020 — HK$842 million), comprising equity securities of HK$558 million (31 March 2020 — HK$431 million), debt securities of HK$24 million (31 March 2020 — HK$22 million) and investment funds of HK$465 million (31 March 2020 — HK$389 million).

BUSINESS REVIEW *(continued)*

Results for the Period *(continued)*

Treasury and securities investments *(continued)*

Financial assets at fair value through profit or loss (continued)

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

	As at 31 December 2020			As at 31 March 2020	Nine months ended 31 December 2020
	Fair value HK$'000	Approximate percentage of financial assets at FVPL	Approximate percentage to the total assets	Fair value HK$'000	Net fair value gain/(loss) HK$'000
GSH Corporation Limited ("GSH")	85,730	8.2%	0.5%	93,250	(7,520)
Quantedge Global Fund ("Quantedge")	70,314	6.7%	0.4%	45,373	23,822
PT Lippo Karawaci Tbk ("LPKR")	59,701	5.7%	0.4%	–	15,683
Others *(Note)*	831,356	79.4%	5.1%	703,346	99,524
Total	1,047,101	100.0%	6.4%	841,969	131,509

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

GSH

As at 31 December 2020, the fair value of the Group's equity securities in GSH amounted to HK$86 million, representing approximately 8.2% and 0.5% of the Group's total financial assets at FVPL and total assets, respectively. GSH, having its shares listed on the SGX-ST, is a property developer in Southeast Asia with certain properties under development in Kuala Lumpur and Kota Kinabalu, Malaysia. During the Period, GSH was negatively impacted by COVID-19. Progress on construction for two residential development projects in Malaysia was affected by the various measures taken by the Malaysian Government to control the spread of COVID-19. Besides, due to the continued international border closures and varying restrictions or relaxation measures taken by the Malaysian Government to control COVID-19 pandemic, the financial performance of 2 hotels in Sabah owned and operated by GSH has also been negatively impacted. The share price performance of GSH was not satisfactory, resulting in an unrealised fair value loss of HK$8 million recognised for the Period. The Group received dividend income of HK$1 million from GSH for the Period. It is expected that the COVID-19 pandemic may continue to cast a negative impact on the GSH's hospitality business and the share price performance of GSH may continue to fluctuate.

BUSINESS REVIEW *(continued)*

Results for the Period *(continued)*

Treasury and securities investments *(continued)*

Financial assets at fair value through profit or loss (continued)

Quantedge

The Group invested in Quantedge for long-term strategic purpose since early 2018 as its goal is in line with the Group's investment strategy. Quantedge, an unlisted investment fund, aims to achieve absolute long-term capital growth by investing in multiple asset classes across the globe, accordingly the investment results may vary substantially over short periods of time. As at 31 December 2020, the fair value of the Group's investment in Quantedge amounted to HK$70 million, representing approximately 6.7% and 0.4% of the Group's total financial assets at FVPL and total assets, respectively. The Group reported a fair value gain of HK$24 million for the Period, mainly contributed by global equities led by gains in U.S.A. technology stocks, coupled with the improvement in other assets class in commodities, fixed income and currencies.

LPKR

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

Financial assets at fair value through other comprehensive income

In addition to the above investments under financial assets at FVPL, the Group also invested in listed and unlisted equity securities which are held for long term strategic purposes. Such investments were recorded under financial assets at FVOCI. As at 31 December 2020, the fair value of such investments amounted to HK$103 million (31 March 2020 — HK$106 million). During the Period, unrealised fair value loss of HK$7 million was recognised in other comprehensive income from these investments. The major investments under this category are investments in eBroker Holding Limited ("eBroker"), which accounted for approximately 75% of the Group's total financial assets at FVOCI as at 31 December 2020.

The Group invested approximately HK$7.6 million in eBroker in its three rounds of financing held in 2017 and 2018. The carrying amount of total investments in eBroker amounted to HK$77 million as at 31 December 2020, representing approximately 75% and 0.5% of the Group's total financial assets at FVOCI and total assets, respectively. Established in September 2015 in Shanghai, the PRC, eBroker's core business is the facilitation of financial and insurance services between wealthy individuals in mainland China and financial institutions as well as insurance issuers in overseas via its online wealth management platform. Investment in eBroker gives the Group an opportunity to potentially achieve a medium to long-term capital gain from the Fintech industry. No distribution was made by eBroker. The Group had recorded unrealised fair value gain in prior years by reference to the latest round financing in early 2019. The Group reported a fair value loss of HK$8 million for the Period.

BUSINESS REVIEW *(continued)*

Results for the Period *(continued)*

Healthcare services

The Group's healthcare services business is mainly carried out through its investments in Healthway Medical Corporation Limited ("Healthway", together with its subsidiaries, the "HMC Group"), an associate of the Company. As at 31 December 2020, the Group was interested in approximately 40.91% of the issued shares in Healthway. Healthway is a company listed on the Catalist Board of the SGX-ST and a well-established private healthcare provider in Singapore. The HMC Group owns, operates and manages around 90 medical centres and clinics in Singapore.

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

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

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

BUSINESS REVIEW *(continued)*

Results for the Period *(continued)*

Other businesses

TIH

The Group recorded a share of profit of HK$25 million from its investment in TIH Limited ("TIH"), an associate of the Company and listed on the Mainboard of the SGX-ST for the Period (year ended 31 March 2020 — share of loss of HK$38 million), mainly attributable to dividend income net off with fair value loss on investments at fair value through profit or loss. Including the effect of appreciation of Singapore dollar during the Period, the Group's interests in TIH as at 31 December 2020 increased to HK$275 million (31 March 2020 — HK$237 million).

TIH's core strategy remains in sourcing for attractive long-term investment opportunities in special situations, corporates deleveraging and non-core secondary assets. Depending on prevailing market conditions, TIH's investments in listed securities may fluctuate, affecting fair value valuations of its portfolio investments, which do not indicate a permanent increase or decline of the investment portfolio's valuation. TIH launched a new Asian active engagement fund, namely, Vasanta Fund, via a joint venture in May 2020 to focus on undervalued listed companies in Asia Pacific and unlock value through active engagement with the management and stakeholders.

Mineral exploration and extraction

Reference was made to the Group's minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset, prior to the events described below, was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that owned a number of copper ore deposits in the Milford Mineral Belt in Beaver County, State of Utah in the U.S.A. Subsequently, CS Mining sold its assets through a court-supervised sale process under its bankruptcy proceedings and a joint venture of the Company participated and won the bid to acquire the assets in August 2017. In January 2018, a verified complaint (the "Complaint") was filed in a United States state court in Delaware (the "Delaware State Court") by the majority investors in Skye (the "Majority Investors") individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group (collectively, the "Parties"). The Complaint alleges, among other things, that the Majority Investors directly and derivatively through their ownership of Skye, suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Parties on CS Mining. The Parties filed a motion to dismiss the Complaint in 2019. The Delaware State Court issued a decision on the motion to dismiss in 2020, partially granting the motion and dismissing several of the causes of action alleged by the Majority Investors. With respect to the remaining parts of the Complaint that were not dismissed, the Delaware State Court did not rule on the merits of those claims and therefore, the Parties filed its answer and the Majority Investors will have to provide evidence to establish the claims that were not dismissed. The Group, individually and derivatively on behalf of Skye, also filed a counterclaim (the "Counterclaim") against the Majority Investors and their related persons (the "Counterparties"), in which the Group has claimed that the Counterparties, at all relevant times, controlled both Skye and CS Mining and preferred their own interests over those of Skye and its creditors and other owners. As a result, the Counterclaim alleged that the conduct of the Counterparties caused the Group to suffer loss, and accordingly seeks damages against the Counterparties for such losses. The Counterparties have filed a motion to dismiss the Counterclaim but the Group has opposed such motion. The Group continues to believe the Complaint is wholly frivolous and without basis.

BUSINESS REVIEW *(continued)*

Financial Position

The Group's financial position remained healthy. As at 31 December 2020, its total assets amounted to HK$16.3 billion (31 March 2020 — HK$16.2 billion). Property-related assets amounted to HK$12.2 billion as at 31 December 2020 (31 March 2020 — HK$12.2 billion), representing 74% (31 March 2020 — 75%) of the total assets. As at 31 December 2020, total cash and bank balances (consisting of cash and cash equivalents, time deposits with original maturity of more than three months and restricted cash) amounted to HK$1.3 billion (31 March 2020 — HK$1.3 billion). Total liabilities amounted to HK$2.7 billion (31 March 2020 — HK$2.6 billion). Current ratio as at 31 December 2020 increased to 1.7 (31 March 2020 — 1.5) after the completion of re-financing of certain bank loans during the Period.

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

As at 31 December 2020, the bank borrowings comprised secured bank loans of HK$1,430 million (31 March 2020 — HK$1,079 million), unsecured bank loans of HK$145 million (31 March 2020 — HK$492 million) and unsecured bank overdraft of HK$2 million (31 March 2020 — Nil). The bank borrowings were denominated in Hong Kong dollars, Singapore dollars and Malaysian Ringgit. The bank loans were secured by fixed and floating charges on certain properties and assets of certain subsidiaries and shares in certain subsidiaries of the Group. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure. As at 31 December 2020, approximately 4% (31 March 2020 — 3%) of the Group's bank borrowings effectively carried fixed rate of interest and the remaining were at floating rates. Other loan, denominated in Hong Kong dollars, was unsecured fixed rate loan from a holding company of the Company. The unsecured notes were unsecured, denominated in Singapore dollars, and carried interest at a rate of 2.25% per annum. Such unsecured notes were redeemed in February 2021. The Group purchased certain motor vehicles under hire purchase which were secured by the rights to the leased fixed assets. As at 31 December 2020, hire purchase commitment amounted to HK$0.1 million (31 March 2020 — HK$0.2 million) and was included in lease liabilities on the statement of financial position.

As at 31 December 2020, approximately 38% (31 March 2020 — 47%) of the bank and other borrowings were repayable within one year. As at 31 December 2020, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 16.0% (31 March 2020 — 15.9%). The Group does not expect any liquidity pressures under the prolonged COVID-19 pandemic.

The net asset value attributable to equity holders of the Company amounted to HK$9.6 billion as at 31 December 2020 (31 March 2020 — HK$9.5 billion). This was equivalent to HK$19.5 per share as at 31 December 2020 (31 March 2020 — HK$19.3 per share).

The Group monitors the relative foreign exchange position of its assets and liabilities to minimise foreign currency risk. When appropriate, hedging instruments including forward contracts, swap and currency loans would be used to manage the foreign exchange exposure.

The Group had bankers' guarantees of HK$4 million as at 31 December 2020 (31 March 2020 — HK$20 million) issued in lieu of rental and utility deposits for the premises used for operation of food businesses. Approximately 58% (31 March 2020 — 13%) of the bankers' guarantees were secured by certain bank deposits of the Group and corporate guarantees from the shareholders of a subsidiary. Aside from the abovementioned, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Period (31 March 2020 — Nil).

BUSINESS REVIEW *(continued)*

Financial Position *(continued)*

The Group's commitments are mainly related to the securities investments and the new food factory in Malaysia. As a lot of the equipment for the new food factory was purchased, total commitment as at 31 December 2020 decreased to HK$57 million (31 March 2020 — HK$105 million). The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

Staff and Remuneration

The Group had 987 full-time employees as at 31 December 2020 (31 March 2020 — 1,005 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Period amounted to HK$246 million (year ended 31 March 2020 — HK$413 million). The Group ensures that its employees are offered competitive remuneration packages. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

PROSPECTS

The global economy started to recover but the strength of the recovery is projected to vary significantly across countries, depending on the development of the pandemic, progress of mass vaccination campaigns and the effectiveness of policy support to drive economic recovery. Evolving relations between the PRC and the U.S.A. and geopolitical tensions could weigh on the global trade and the global economic recovery. The Group and its associates and joint ventures remain cautious towards the outlook of their businesses. They will continue their efforts to mitigate the challenging operating environment and manage its financial resources prudently. They will also seek suitable business opportunities cautiously for long-term growth.

BUSINESS STRATEGY

The business activities of the Group are diversified. Lippo China Resources Limited and Hongkong Chinese Limited, the major subsidiaries of the Company, have been the major contributors to the Group's results. The Group is committed to achieve long term sustainable growth of its businesses in preserving and enhancing shareholder value. The Group is focused on selecting attractive investment opportunities to strengthen and extend its business scope and has maintained prudent and disciplined financial management to ensure its sustainability.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries, associates, joint ventures and joint operation are principally engaged in investment holding, property investment, property development, healthcare services, food businesses, hotel operation, property management, project management, mineral exploration and extraction, fund management, investment management, securities investment, treasury investment and money lending.

The activities and other particulars of the principal subsidiaries, principal associates, principal joint ventures and joint operation are set out in the financial statements on pages 193 to 202, pages 203 and 204, page 205, and page 206, respectively.

Save for the disposal of interest in the banking business, there were no significant changes in the nature of these activities during the Period.

SEGMENT INFORMATION

An analysis of the Group's revenue and results by principal activity and geographical area for the Period is set out in Note 4 to the financial statements.

RESULTS AND DIVIDENDS

The results and details of cash flows of the Group for the Period and the financial position of the Group as at 31 December 2020 are set out in the financial statements on pages 86 to 206.

An interim dividend of HK4 cents per share (For the six months ended 30 September 2019 — HK4 cents per share) for the six months ended 30 September 2020 was paid in January 2021. The Directors have resolved to recommend the payment of a final dividend of HK3 cents per share (year ended 31 March 2020 — HK5 cents per share) amounting to approximately HK$14.8 million for the Period (year ended 31 March 2020 — approximately HK$24.7 million). Total dividends for the Period will be HK7 cents per share (year ended 31 March 2020 — HK9 cents per share) amounting to approximately HK$34.5 million (year ended 31 March 2020 — approximately HK$44.4 million).

SUMMARY OF GROUP FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and non-controlling interests of the Group for the last five financial period/years is set out on page 211.

GOODWILL

Details of movements in goodwill during the Period are set out in Note 17 to the financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties during the Period are set out in Note 20 to the financial statements.

BANK LOANS

Details of bank loans are summarised in Note 32 to the financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 35 to the financial statements.

SHARE OPTION SCHEME

Details of the share option scheme of a subsidiary of the Company are set out below.

A share option scheme of Asia Now Resources Corp. ("Asia Now", a subsidiary of the Company) (the "ANR Share Option Scheme"), which was approved by the shareholders of Asia Now, Lippo China Resources Limited ("LCR", a listed subsidiary of the Company) and the Company, was adopted on 11 September 2014 (the "ANR Adoption Date"). Pursuant to the ANR Share Option Scheme, the board of directors of Asia Now (the "ANR Board") was entitled at any time to offer to grant an option to subscribe for common shares in the capital of Asia Now (the "ANR Shares") to any eligible person including directors or senior officers of Asia Now, and employees (the "ANR Eligible Employees") and consultants of Asia Now and its subsidiaries (together, the "ANR Eligible Persons") whom the ANR Board might, in its absolute discretion, select and be subject to such conditions as it might think fit. The purpose of the ANR Share Option Scheme was to provide ANR Eligible Persons with the opportunity to acquire proprietary interests in Asia Now and to encourage the ANR Eligible Persons to work towards enhancing the value of Asia Now and its shares for the benefit of Asia Now and its shareholders as a whole. The ANR Share Option Scheme was valid and effective for the period of ten years commencing on the ANR Adoption Date. Under the rules of the ANR Share Option Scheme, no further options should be granted on and after the tenth anniversary of the ANR Adoption Date. The options could be exercised at any time during the period commencing on the date of grant and ending on the date of expiry which should not be later than the day last preceding the tenth anniversary of the date of grant. No option might be exercised by an ANR Eligible Employee until such ANR Eligible Employee had been in continuous employment with Asia Now or its subsidiary or had been appointed as a director for a period of one calendar year from the date of such ANR Eligible Employee's commencement of employment with or appointment by Asia Now or its subsidiary. In respect of an ANR Eligible Person who was not an ANR Eligible Employee, the ANR Board might in its absolute discretion specify such minimum period for which an option must be held before such option could be exercised. In respect of an ANR Eligible Person (whether or not an ANR Eligible Employee), the ANR Board might in its absolute discretion make the exercise of an option conditional on the achievement of the minimum performance target(s). No grantee of option was required to pay for the grant of the relevant option.

SHARE OPTION SCHEME *(continued)*

The overall limit on the number of ANR Shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the ANR Share Option Scheme and other share option schemes must not exceed 20% of the ANR Shares in issue on the ANR Adoption Date. The maximum number of ANR Shares, in respect of which options might be granted under the ANR Share Option Scheme, should not (when aggregated with any ANR Shares subject to grants made after the ANR Adoption Date pursuant to any other share option scheme(s) of Asia Now) exceed 10% of the issued share capital of Asia Now on the ANR Adoption Date (the "ANR Scheme Mandate Limit"). The ANR Scheme Mandate Limit might be renewed at any time subject to prior approval of the Toronto Stock Exchange (as defined below) and shareholders of Asia Now and its relevant holding companies but in any event should not exceed 10% of the issued share capital of Asia Now as at the date of approval of the renewal of the ANR Scheme Mandate Limit. A maximum of 11,332,079 ANR Shares, representing approximately 10% of Asia Now's issued share capital, were reserved for issuance upon exercise of options granted under the ANR Share Option Scheme. The total number of ANR Shares issued and to be issued upon exercise of options granted and to be granted under the ANR Share Option Scheme to any single ANR Eligible Person, whether or not already a grantee, in any 12-month period should be subject to a limit that it should not exceed 1% of the ANR Shares in issue at the relevant time. The exercise price for the ANR Shares under the ANR Share Option Scheme should be determined by the ANR Board in its absolute discretion but in any event should not be less than the highest of (i) the closing price of the ANR Shares on the date of grant of the option, as stated in the daily quotations sheets of the TSX Venture Exchange of Canada ("TSXVE") or the Toronto Stock Exchange, as applicable, being the stock exchange on which the ANR Shares were primarily listed (the "Toronto Stock Exchange"); (ii) the average closing price of the ANR Shares for the five trading days immediately preceding the date of grant of the option, as stated in the daily quotations sheets of the Toronto Stock Exchange; and (iii) the floor price which meant the last closing price of the ANR Shares on the Toronto Stock Exchange before the date the option was granted less the following maximum discounts based on the closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of C$0.05):

Closing Price	Discount
Up to C$0.50	25%
C$0.51 to C$2.00	20%
Above C$2.00	15%

As at the beginning and end of the Period, there were no outstanding options granted under the ANR Share Option Scheme to subscribe for ANR Shares. No option of Asia Now was granted, exercised, cancelled or lapsed under the ANR Share Option Scheme during the Period (year ended 31 March 2020 — Nil).

Following the receivership entered into in August 2015, the listing of Asia Now was transferred from TSXVE to NEX, a separate board of TSXVE which provides a trading forum for listed companies in Canada that have fallen below TSXVE's ongoing financial listing standards. The receivership of Asia Now was completed in April 2016. The ANR Shares were subsequently delisted from NEX.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company's reserves available for distribution, calculated in accordance with the provisions of Part 6 of the Hong Kong Companies Ordinance, amounted to HK$406,175,000. As at 31 December 2020, other distributable reserve amounted to HK$1,709,202,000.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in the financial statements on pages 193 to 202.

DONATIONS

Charitable and other donations made by the Group during the Period amounted to HK$1,756,000 (year ended 31 March 2020 — HK$4,650,000).

HONORARY CHAIRMAN

On 25 April 2003, the Directors of the Company appointed Dr. Mochtar Riady as Honorary Chairman of the Company in recognition of his valuable contribution to the Company in the past. Dr. Mochtar Riady was not appointed as a director or officer of the Company. He has no executive or management function within the Company and will not attend or vote at meetings of Directors. He will not have any involvement in the day-to-day management, oversight or other operation of the Company.

DIRECTORS

The Directors of the Company during the Period and up to the date of this report were:

Executive Directors

Dr. Stephen Riady *(Chairman)*
Mr. John Luen Wai Lee, BBS, JP *(Managing Director and Chief Executive Officer)*

Non-executive Directors

Mr. Jark Pui Lee, SBS, OBE, JP
Mr. Leon Nim Leung Chan

Independent non-executive Directors

Mr. Edwin Neo
Mr. King Fai Tsui
Mr. Victor Ha Kuk Yung

In accordance with Article 112 of the Company's Articles of Association (the "Articles"), Dr. Stephen Riady and Messrs. John Luen Wai Lee and Edwin Neo will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS *(continued)*

Other than Mr. Jark Pui Lee, the Directors of the Company are also directors of certain subsidiaries of the Company. A list of directors of the Company's subsidiaries during the Period and up to the date of this report is available on the Company's website (www.lippoltd.com.hk).

Each of Messrs. Leon Nim Leung Chan and Edwin Neo entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 1 January 2020. Following the expiry of the term under their respective former letter agreements with the Company, (a) each of Messrs. King Fai Tsui and Victor Ha Kuk Yung entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 30 September 2020; (b) each of Dr. Stephen Riady and Mr. John Luen Wai Lee entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 1 January 2021; and (c) Mr. Jark Pui Lee entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 1 March 2021. All the above letter agreements are terminable by either party by giving three months' prior written notice. The term of the office of the Directors is also subject to the provisions of the Articles. In accordance with the Articles, one-third of the Directors of the Company must retire from office at each annual general meeting and their re-election is subject to a vote of shareholders. In addition, every Director is subject to retirement by rotation at least once every three years notwithstanding that the total number of Directors to retire at the relevant annual general meeting would as a result exceed one-third of the Directors.

In addition, Dr. Stephen Riady entered into an employment agreement for his employment as an Executive President of the Company with effect from 1 January 2015. The above employment agreement is terminable by either party by giving three months' prior written notice. Dr. Stephen Riady also entered into employment agreements/employment contract with three subsidiaries of the Company which are terminable by either party by giving three months' or six months' prior written notice (as the case may be). Mr. John Luen Wai Lee entered into employment agreements with two subsidiaries of the Company which are terminable by either party by giving three months' prior notice.

The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Company considers such Directors to be independent.

Under the Company's Articles, every Director or other officer of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. A Directors' and Officers' Liability Insurance is in place to protect the Directors and officers of the Group against any potential liability arising from the Group's activities which such Directors and officers may be held liable.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Dr. Stephen Riady (former name: Stephen Tjondro Riady), aged 60, was appointed a Director of the Company in March 1991 and is the Chairman of the board of directors of the Company. He is also an executive director and the Chairman of the board of directors of each of Lippo China Resources Limited ("LCR") and Hongkong Chinese Limited ("HKC"), both are public listed companies in Hong Kong. He has been the Executive President of each of the Company, LCR and HKC since January 2015. He is a member of the Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC. He also holds directorship in certain subsidiaries of the Company. Dr. Riady is the Executive Chairman and Group Chief Executive Officer of OUE Limited, a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). He is a non-executive non-independent director of Healthway Medical Corporation Limited, a company listed on the sponsor-supervised listing platform of the SGX-ST. Dr. Riady is a director of Lippo Capital Group Limited, Lippo Capital Holdings Company Limited and Lippo Capital Limited which have discloseable interests in the Company under the provisions of the Securities and Futures Ordinance. Dr. Riady is a graduate of the University of Southern California, the United States of America and holds a Master of Business Administration from Golden Gate University, the United States of America and an Honorary Degree of Doctor of Business Administration from Edinburgh Napier University, United Kingdom. He is one of the first Honorary University Fellows installed by the Hong Kong Baptist University in September 2006. Dr. Riady is the father-in-law of Dr. Andy Adhiwana, an executive director and the Group Chief Executive Officer of Auric Pacific Group Limited, a subsidiary of the Company. Dr. Riady is the father of Mr. Brian Riady who is a director of certain subsidiaries of the Company. Dr. Riady is the spouse of Madam Shincee Leonardi ("Madam Leonardi") and a brother of Mr. James Tjahaja Riady ("Mr. James Riady"). Madam Aileen Hambali ("Madam Hambali") is the spouse of Mr. James Riady. Interests of Madam Leonardi, Mr. James Riady and Madam Hambali in the Company are disclosed in the section headed "Interests and short positions of shareholders discloseable under the Securities and Futures Ordinance" below.

Mr. John Luen Wai Lee, BBS, JP, aged 72, was appointed a Director of the Company in March 1991 and is the Managing Director and the Chief Executive Officer of the Company. He is an executive director and the Chief Executive Officer of LCR and HKC, as well as an independent non-executive director of New World Development Company Limited and UMP Healthcare Holdings Limited, both are public listed companies in Hong Kong. Mr. Lee is an authorised representative of the Company, LCR and HKC. In addition, he holds directorships in certain subsidiaries of the Company. Mr. Lee is a Fellow of The Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He was a partner of Price Waterhouse (now known as PricewaterhouseCoopers) in Hong Kong and has extensive experience in corporate finance and capital markets. Mr. Lee is an Honorary Fellow of the City University of Hong Kong, a Justice of Peace in Hong Kong and an awardee of the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region. Mr. Lee is active in public service. Over the years, he has served as a member or chairman of different government boards and committees in Hong Kong, including a member of the Hong Kong Hospital Authority and the Chairman of the Hospital Governing Committee of the Queen Elizabeth Hospital. Currently, he serves as the Chairman of the Hospital Governing Committee of Hong Kong Children's Hospital, a member of the Public Service Commission and a member of the Investment Committee of the Hospital Authority Provident Fund Scheme.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

Mr. Jark Pui Lee, SBS, OBE, JP, aged 81, was appointed a Director of the Company in July 1992 and was re-designated from an executive Director to a non-executive Director of the Company in March 2015. Mr. Lee holds a Bachelor of Arts degree (Hons) from The University of Hong Kong. He worked for the Hong Kong Government and was the Secretary-General of The Chinese Manufacturers' Association of Hong Kong. He has served and contributed to the local community for over 40 years, and was Chairman of the Government's Social Welfare Advisory Committee, the General Support Programme Vetting Committee of the Innovation and Technology Commission, Hong Kong Council of Social Service, the Legal Aid Services Council, the Po Leung Kuk, the Agency for Volunteer Service and the Hong Kong Council of Volunteering. Mr. Lee is currently the Chairman of International Chamber of Commerce — Hong Kong.

Mr. Leon Nim Leung Chan, aged 65, was appointed an independent non-executive Director of the Company in May 1997 and was re-designated as a non-executive Director of the Company in September 2004. He is a practising lawyer and presently the principal partner of Messrs. Y.T. Chan & Co. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1980 and was also admitted as a solicitor in England in 1984 and in Victoria, Australia in 1985. He was a member of the Solicitors Disciplinary Tribunal from May 1993 to April 2008. He is also a non-executive director of LCR and HKC. Mr. Chan is a member of the Audit Committee, Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC.

Mr. Edwin Neo, aged 71, was appointed an independent non-executive Director of the Company in March 2002. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1976 and of the Supreme Court of England and Wales in 1993. Mr. Neo is a practising lawyer and a notary public and is presently the senior partner of Hoosenally & Neo, Solicitors & Notaries. Mr. Neo holds a Bachelor of Laws degree with honours and Post-graduate Certificate in Laws from The University of Hong Kong. He is an independent non-executive director of LCR and HKC. Mr. Neo is also a member of the Remuneration Committee, Nomination Committee and Audit Committee of each of the Company, LCR and HKC.

Mr. King Fai Tsui, aged 71, was appointed an independent non-executive Director of the Company in September 2004. Mr. Tsui is an independent non-executive director of Vinda International Holdings Limited, China Aoyuan Group Limited and Newton Resources Ltd, all are public listed companies in Hong Kong. He has over 40 years of extensive experience in accounting, finance and investment management, particularly in investments in mainland China. Mr. Tsui worked for two of the Big Four audit firms in the United States of America and Hong Kong and served in various public listed companies in Hong Kong in a senior capacity. He is a Fellow of the Hong Kong Institute of Certified Public Accountants, a member of the Chartered Accountants Australia and New Zealand and a member of the American Institute of Certified Public Accountants. He graduated from the University of Houston, Texas, the United States of America and holds a Master of Science in Accountancy and a Bachelor of Business Administration with first class honours. Mr. Tsui is an independent non-executive director of LCR and HKC. He is the Chairman of the Audit Committee of HKC and a member of the Audit Committee of each of the Company and LCR. He is also the Chairman of the Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC.

Mr. Victor Ha Kuk Yung, aged 67, was appointed an independent non-executive Director of the Company in September 2004. Mr. Yung is a professional accountant with over 30 years of working experience in the financial and accounting fields, and served in management positions in various multinational companies in Asia. Mr. Yung holds a Master of Science Degree in Corporate Governance and Directorship from the Hong Kong Baptist University, and is a member of the Hong Kong Institute of Certified Public Accountants. He is also an independent non-executive director of LCR and HKC. Mr. Yung is the Chairman of the Audit Committee of each of the Company and LCR and a member of the Audit Committee of HKC. He is also a member of the Remuneration Committee and Nomination Committee of each of the Company, LCR and HKC. Mr. Yung is an independent non-executive director of Travel Expert (Asia) Enterprises Limited, a public listed company in Hong Kong.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

Details of the interests of the Directors in the Company are disclosed in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations" below.

Save as disclosed herein and in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations" below, the Directors do not have any other relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

Details of the emoluments of the Directors on a named basis and the five highest paid employees in the Group are set out in Notes 9 and 10 to the financial statements, respectively.

The emoluments of the Directors are determined by reference to the market rates, time commitment and their duties and responsibilities as well as employment conditions elsewhere in the Group.

The emoluments of the Directors for the Period have been covered by their respective letter agreements and/or employment agreements/employment contract (as applicable) with the Group and/or paid under the relevant statutory requirement save for those as disclosed herein below:

(a) a discretionary bonus of Dr. Stephen Riady in an amount of HK$5,000,000; and

(b) a discretionary bonus of Mr. John Luen Wai Lee in an amount of HK$2,000,000.

Dr. Stephen Riady and Mr. John Luen Wai Lee are entitled to receive salaries, discretionary bonuses and/or other fringe benefits for the executive role in the Group under their respective employment agreements/employment contract with the Group.

Further details of the above Directors' emoluments are disclosed in Note 9 to the financial statements.

Each of the Directors of the Company is entitled to receive a director's fee from the Company. The director's fee paid to each of the Directors of the Company was HK$184,500 for the Period. A non-executive Director will also receive additional fees for duties assigned to and services provided by him as Chairmen and/or members of various board committees of the Company and its subsidiaries. The fees paid to the non-executive Directors for serving as the Chairmen and/or members of various board committees of the Company for the Period are as follows:

	HK$
Chairman	61,200
Member	39,600

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31 December 2020, the interests or short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (the "Associated Corporations"), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on the Stock Exchange (the "Model Code"), were as follows:

Interests in shares and underlying shares of the Company and Associated Corporations

Name of Director	Personal interests (held as beneficial owner)	Family interests (interest of spouse)	Corporate interests (interest of controlled corporations)	Total interests	Approximate percentage of total interests in the issued shares
Number of ordinary shares in the Company					
Stephen Riady	–	–	369,800,219 *Note (i)*	369,800,219	74.98
Jark Pui Lee	–	60	–	60	0.00
John Luen Wai Lee	1,031,250	–	–	1,031,250	0.21
Number of ordinary shares in Lippo China Resources Limited ("LCR")					
Stephen Riady	–	–	6,890,184,389 *Notes (i) and (ii)*	6,890,184,389	74.99
Number of ordinary shares of HK$1.00 each in Hongkong Chinese Limited ("HKC")					
Stephen Riady	–	–	1,477,715,492 *Notes (i) and (iii)*	1,477,715,492	73.95
Jark Pui Lee	469	469	–	938	0.00
John Luen Wai Lee	2,000,270	270	–	2,000,540	0.10
King Fai Tsui	600,000	75,000	–	675,000	0.03

Note:

(i) As at 31 December 2020, Lippo Capital Limited ("Lippo Capital"), an Associated Corporation of the Company, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in an aggregate of 369,800,219 ordinary shares in, representing approximately 74.98% of the issued shares of, the Company. Lippo Capital was a 60% owned subsidiary of Lippo Capital Holdings Company Limited ("Lippo Capital Holdings"), an Associated Corporation of the Company, which in turn was a wholly-owned subsidiary of Lippo Capital Group Limited ("Lippo Capital Group"), an Associated Corporation of the Company. Dr. Stephen Riady ("Dr. Riady") was the beneficial owner of one ordinary share in, representing 100% of the issued share capital of, Lippo Capital Group.

(ii) As at 31 December 2020, the Company, through its 100% owned subsidiaries, was indirectly interested in 6,890,184,389 ordinary shares in, representing approximately 74.99% of the issued shares of, LCR.

(iii) As at 31 December 2020, the Company, through its 100% owned subsidiaries, was indirectly interested in 1,477,715,492 ordinary shares of HK$1.00 each in, representing approximately 73.95% of the issued shares of, HKC.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS *(continued)*

Interests in shares and underlying shares of the Company and Associated Corporations *(continued)*

As mentioned in Note (i) above, Dr. Riady was the beneficial owner of one ordinary share in, representing 100% of the issued share capital of, Lippo Capital Group. Through his interest in Lippo Capital Group, Dr. Riady was also interested or taken to be interested (through controlled corporations) in the issued shares of the following Associated Corporations of the Company as at 31 December 2020:

Name of Associated Corporation	*Note*	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Abital Trading Pte. Limited	(a)	Ordinary shares	2	100
Auric Pacific Group Limited ("Auric")	(b)	Ordinary shares	80,618,551	65.48
Bentham Holdings Limited	(c)	Ordinary shares	1	100
Boudry Limited	(a)	Ordinary shares	10	100
	(a)	Non-voting deferred shares	1,000	100
Brimming Fortune Limited	(a)	Ordinary shares	1	100
Broadwell Overseas Holdings Limited	(a)	Ordinary shares	1	100
Grand Peak Investment Limited	(a)	Ordinary shares	2	100
Greenorth Holdings Limited	(a)	Ordinary shares	1	100
HKCL Investments Limited	(a)	Ordinary shares	1	100
International Realty (Singapore) Pte. Limited	(a)	Ordinary shares	2	100
J & S Company Limited	(a)	Ordinary shares	1	100
Lippo Assets (International) Limited	(a)	Ordinary shares	1	100
	(a)	Non-voting deferred shares	15,999,999	100
Lippo Capital	(c)	Ordinary shares	423,414,001	60
Lippo Capital Holdings	(d)	Ordinary shares	1	100
Lippo Finance Limited	(a)	Ordinary shares	6,176,470	82.35
Lippo Investments Limited	(a)	Ordinary shares	2	100
Lippo Realty Limited	(a)	Ordinary shares	2	100
MG Superteam Pte. Ltd.	(a)	Ordinary shares	1	100
Multi-World Builders & Development Corporation	(a)	Ordinary shares	4,080	51
The HCB General Investment (Singapore) Pte Ltd	(a)	Ordinary shares	100,000	100
Valencia Development Limited	(a)	Ordinary shares	800,000	100
	(a)	Non-voting deferred shares	200,000	100
Winroot Holdings Limited	(a)	Ordinary shares	1	100

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS *(continued)*

Interests in shares and underlying shares of the Company and Associated Corporations *(continued)*

Note:

(a) Such share(s) was/were 100% held directly or indirectly by Lippo Capital, a 60% owned indirect subsidiary of Lippo Capital Group.

(b) Of these shares, 4,999,283 ordinary shares were held by Jeremiah Holdings Limited ("Jeremiah"), a 60% owned indirect subsidiary of LCR; 20,004,000 ordinary shares were held by Nine Heritage Pte Ltd, an 80% owned direct subsidiary of Jeremiah; 36,165,052 ordinary shares were held by Pantogon Holdings Pte Ltd, a 100% owned indirect subsidiary of LCR and 759,000 ordinary shares were held by Max Turbo Limited, a 100% owned indirect subsidiary of LCR. Details of Dr. Riady's interest in LCR are disclosed in Notes (i) and (ii) above. In addition, as at 31 December 2020, 18,691,216 ordinary shares were held by Silver Creek Capital Pte. Ltd. ("Silver Creek"). Dr. Riady, through companies controlled by him, is the beneficial owner of 100% of the issued shares in Silver Creek. Accordingly, Dr. Riady was taken to be interested in an aggregate of 80,618,551 ordinary shares in, representing approximately 65.48% of the issued shares of, Auric.

(c) Such share(s) was/were held directly by Lippo Capital Holdings which in turn was a direct wholly-owned subsidiary of Lippo Capital Group.

(d) Such share was 100% held directly by Lippo Capital Group.

As at 31 December 2020, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its Associated Corporations.

All the interests stated above represent long positions. Save as disclosed herein, as at 31 December 2020, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its Associated Corporations which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at 31 December 2020, none of the Directors or chief executive of the Company nor their spouses or minor children (natural or adopted) were granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its Associated Corporations.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangements to enable a Director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PERMITTED INDEMNITY PROVISION

The Company's Articles of Association provides that every Director is entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities to the fullest extent permitted by the Hong Kong Companies Ordinance which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. A Directors' and Officers' Liability Insurance was taken out and maintained throughout the Period, which provides appropriate cover for, inter alia, the Directors of the Company and its subsidiaries.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE

As at 31 December 2020, so far as is known to the Directors of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") as follows:

Interests of substantial shareholders in shares of the Company

Name of substantial shareholder	Number of ordinary shares	Approximate percentage of the issued shares
Lippo Capital Limited ("Lippo Capital")	369,800,219	74.98
Lippo Capital Holdings Company Limited ("Lippo Capital Holdings")	369,800,219	74.98
Lippo Capital Group Limited ("Lippo Capital Group")	369,800,219	74.98
Madam Shincee Leonardi	369,800,219	74.98
PT Trijaya Utama Mandiri ("PT TUM")	369,800,219	74.98
Mr. James Tjahaja Riady	369,800,219	74.98
Madam Aileen Hambali	369,800,219	74.98

Note:

1. Lippo Capital, through its wholly-owned subsidiary, J & S Company Limited, was indirectly interested in 14,699,997 ordinary shares of the Company. Together with 355,100,222 ordinary shares of the Company owned by Lippo Capital directly as beneficial owner, Lippo Capital was interested in an aggregate of 369,800,219 ordinary shares in, representing approximately 74.98% of the issued shares of, the Company.

2. Lippo Capital Holdings owned 60% of the issued shares in Lippo Capital. Lippo Capital Group owned 100% of the issued share capital of Lippo Capital Holdings. Dr. Stephen Riady was the beneficial owner of 100% of the issued share capital of Lippo Capital Group. Madam Shincee Leonardi is the spouse of Dr. Stephen Riady.

3. PT TUM owned the remaining 40% of the issued shares in Lippo Capital. PT TUM was wholly owned by Mr. James Tjahaja Riady who is a brother of Dr. Stephen Riady. Madam Aileen Hambali is the spouse of Mr. James Tjahaja Riady.

4. Lippo Capital's interests in the ordinary shares of the Company were recorded as the interests of Lippo Capital Holdings, Lippo Capital Group, Madam Shincee Leonardi, PT TUM, Mr. James Tjahaja Riady and Madam Aileen Hambali. The above 369,800,219 ordinary shares of the Company related to the same block of shares that Dr. Stephen Riady was interested, details of which are disclosed in the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations".

All the interests stated above represent long positions. Save as disclosed herein, as at 31 December 2020, none of the substantial shareholders or other persons (other than the Directors or chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Lippo Group (a general reference to the companies in which Dr. Stephen Riady and his family members have a direct or indirect interest) is not a legal entity and does not operate as one. Each of the companies in the Lippo Group operates within its own legal, corporate and financial framework. As at 31 December 2020, the Lippo Group might have had or developed interests in business in Hong Kong and other parts in Asia similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

The Directors of the Company are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and its Directors would comply with the relevant requirements of the Company's Articles of Association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") whenever a Director has any conflict of interest in the transaction(s) with the Company.

Save as disclosed herein, during the Period and up to the date of this report, none of the Directors are considered to have interests in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group required to be disclosed under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Continuing connected transactions disclosed in accordance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") are as follows.

On 3 January 2020, a franchise agreement (the "Franchise Agreement") was entered into between Maxx Coffee Singapore Pte. Ltd. (the "Franchisee", an indirect non-wholly owned subsidiary of Lippo China Resources Limited ("LCR") which in turn is a subsidiary of the Company) and PT Maxx Coffee Prima (the "Franchisor"), pursuant to which the Franchisor agreed (i) to grant to the Franchisee the exclusive right and licence in Singapore to carry on the business of establishing, developing and operating retail coffee shops in Singapore under the name of "Maxx Coffee" (the "Maxx Coffee Shops"), and sell Maxx Coffee brand coffee, beverages and/or other food or non-food products as agreed by the parties from time to time on a retail basis in Singapore; (ii) to supply to the Franchisee Maxx Coffee brand coffee, beverages and/or other food or non-food products, materials and supplies that are reasonably required by the Franchisee for the operation of the business under the franchise as agreed by the parties from time to time; and (iii) to provide training, ongoing advice and guidance to the Franchisee for the development, marketing and operation of the Maxx Coffee Shops during an initial term of ten years commencing from the date of the Franchise Agreement, with an option for the Franchisee to extend for another five years upon expiration of the initial term.

CONTINUING CONNECTED TRANSACTIONS *(continued)*

In consideration of the grant of the franchise and all the services to be provided by the Franchisor to the Franchisee under the Franchise Agreement, the Franchisee shall pay to the Franchisor a royalty fee (the "Royalty Fee"), details of which are as follows:

(i) for each calendar month during the period from the date of the Franchise Agreement to 31 December 2020: the Royalty Fee shall be 2.5% of the total monthly net sales of the Maxx Coffee Shops (the "Net Sales");

(ii) for each calendar month during the 12 months ending 31 December 2021: the Royalty Fee shall be 3% of the total monthly Net Sales;

(iii) for each calendar month during the 12 months ending 31 December 2022: the Royalty Fee shall be 3.5% of the total monthly Net Sales; and

(iv) for each calendar month commencing 1 January 2023 onwards: the Royalty Fee shall be 4% of the total monthly Net Sales.

The consideration for the purchase of Maxx Coffee supplies from the Franchisor (the "Purchase Consideration") will be determined on an at-cost basis, being the consideration payable by the Franchisor to the relevant third party suppliers under each relevant supply of goods contract entered into between the Franchisor and the third party suppliers.

Following the change of financial year end date of the Company from 31 March to 31 December, the annual caps for the Franchise Agreement were revised to align with the new financial year end date of the Company. The revised annual caps for the Franchise Agreement were calculated based on the original annual caps but allocated to the relevant period/years ended/ending 31 December, details of which were disclosed in a joint announcement of the Company and LCR dated 29 September 2020. The revised annual cap for the aggregate transaction amounts made by the Franchisee to the Franchisor under the Franchise Agreement for the Period was HK$4,300,000, which were calculated based on the sum of the estimated maximum amounts of (a) the annual Royalty Fee for the Period of HK$1,300,000 and (b) the Purchase Consideration for the Period of HK$3,000,000.

The Franchise Agreement enables the Franchisee to set up a new coffee chain in Singapore under the brand name "Maxx Coffee" and uses the know-hows from the Franchisor to expand its food retail business.

As at the date of the Franchise Agreement, the Franchisor was indirectly controlled by PT Inti Anugerah Pratama ("IAP"), of which Dr. Stephen Riady ("Dr. Riady") and his brother, Mr. James Tjahaja Riady were the ultimate beneficial owners and together indirectly controlled more than 50% of the voting power at general meetings of IAP. Accordingly, the Franchisor is a connected person of the Company under the Listing Rules.

Further details of the Franchise Agreement are disclosed in Note 42(f) to the financial statements.

CONTINUING CONNECTED TRANSACTIONS *(continued)*

The independent non-executive Directors have confirmed that the above agreement had been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the above agreement on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. Ernst & Young, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with rule 14A.56 of the Listing Rules. A copy of the above auditor's letter will be provided by the Company to the Stock Exchange in accordance with rule 14A.57 of the Listing Rules.

The Directors of the Company (excluding Dr. Riady who was required to abstain from voting) considered the terms of continuing connected transactions disclosed herein were fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions disclosed herein.

DISCLOSURE PURSUANT TO RULE 13.20 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

The Group has granted financial assistance to Fortune Crane Limited ("FCL"), a subsidiary of Lippo ASM Asia Property Limited which in turn is a principal joint venture of the Company. The relevant advances disclosed pursuant to rule 13.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and remained outstanding as at 31 December 2020 were granted under the following loan agreements:

(i) a loan agreement dated 29 May 2015 between FCL and Pacific Landmark Holdings Limited ("PLH"), a then subsidiary of the Company, pursuant to which PLH agreed to advance a loan of S$53,920,839.43 (the "Loan") to FCL;

(ii) a loan agreement dated 28 August 2015 between FCL and PLH pursuant to which PLH agreed to make available a loan facility of S$7,000,000 (the "Interim Loan") to FCL;

(iii) a loan agreement dated 28 August 2015 between FCL and PLH pursuant to which PLH agreed to advance a further loan of S$100,000,000 (the "Further Loan") to FCL;

(iv) a loan agreement dated 12 October 2015 between FCL and PLH pursuant to which PLH agreed to make available a loan facility of S$2,000,000 (the "Second Interim Loan") to FCL;

(v) a loan agreement dated 30 November 2015 between FCL and PLH pursuant to which PLH agreed to make available a new loan facility of S$38,000,000 (the "New Loan") to FCL;

DISCLOSURE PURSUANT TO RULE 13.20 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED *(continued)*

(vi) a loan agreement dated 19 July 2016 between FCL and PLH pursuant to which PLH agreed to make available a loan facility of approximately S$14,959,000 (the "July 2016 Loan") to FCL; and

(vii) a loan agreement dated 20 October 2016 between FCL and Polar Step Limited ("PSL"), a subsidiary of the Company, pursuant to which PSL agreed to make available a loan facility in the maximum principal amount of S$155,000,000 (the "October 2016 Facility") to FCL. The October 2016 Facility was first drawn on 4 January 2017 (the "October 2016 Facility Drawdown Date") and is unsecured, subject to an interest rate of 2.25% per annum and repayable on demand.

In addition, an unsecured loan of approximately S$10,314,000 (the "June 2013 Loan") was advanced by PLH to FCL on 20 June 2013.

On 20 October 2016, PLH assigned all of its rights, interests, benefits and title in the June 2013 Loan, the Loan, the Further Loan and the July 2016 Loan to PSL. Pursuant to an amended and restated loan agreement dated 20 October 2016 between, inter alia, PSL and FCL, with effect from the October 2016 Facility Drawdown Date, the interest rate of each of the June 2013 Loan, the Loan, the Further Loan and the July 2016 Loan was amended from 6.5% per annum to 2.25% per annum and the repayment date was amended to repayable on demand.

On 4 January 2017, PLH assigned all of its rights, interests, benefits and title in the Interim Loan, the Second Interim Loan and the New Loan to PSL. Pursuant to an amended and restated loan agreement dated 4 January 2017 between, inter alia, PSL and FCL, with effect from 4 January 2017, the interest rate of each of the Interim Loan, the Second Interim Loan and the New Loan was amended from 6.5% per annum to 2.25% per annum and such loans will be repayable on demand.

All the above advances to FCL are unsecured. As at 31 December 2020, the outstanding balance of the above advances amounted to approximately S$374,521,000 (equivalent to approximately HK$2,196,265,000).

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

Save as disclosed above and in Note 42 to the financial statements, there were no contracts of significance in relation to the Company's business, to which the Company or any of its subsidiaries, holding companies or fellow subsidiaries was a party, subsisting at the end of the Period or at any time during the Period, and in which a Director or the controlling shareholders or any of their respective subsidiaries, directly or indirectly, had a material interest.

During the Period, no contract of significance for the provision of services to the Group by a controlling shareholder or any of its subsidiaries has been made.

DIRECTORS' SERVICE CONTRACTS

No Director of the Company proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed during the Period.

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

During the Period, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

MAJOR SUPPLIERS AND CUSTOMERS

During the Period, the percentage of revenue attributable to the Group's five largest customers combined was 36% of the Group's aggregate revenue and revenue attributable to the largest customer included therein amounted to 16%. During the Period, the percentage of purchases attributable to the Group's five largest suppliers combined was less than 30% of the Group's aggregate purchases.

None of the Directors of the Company, their close associates or any shareholders (which to the best knowledge and belief of the Directors own more than 5% of the Company's issued shares) had any beneficial interest in the Group's five largest suppliers and customers.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its brand competitiveness and dominant status, the Group aims at delivering constantly high standards of quality in the products and services to its customers. During the Period, there was no material and significant dispute between the Group and its suppliers and/or customers.

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes of the Group and the employer's retirement benefits costs charged to the consolidated statement of profit or loss for the Period are set out in Notes 2.4(af) and 8 to the financial statements, respectively.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. The Company's Corporate Governance Report is set out on pages 36 to 47.

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, businesses and prospects may be affected by a number of risks and uncertainties. Key risks and uncertainties were identified by the Group, details of which are disclosed in the Company's Risk Management Report as set out on pages 48 to 55. There may be other risks and uncertainties in addition to those shown in the above report which are not known to the Group or which may not be material now but could turn out to be material in the future.

ADOPTION OF DIVIDEND POLICY

The Board had approved and adopted a dividend policy for the Company in January 2019 that aims to set out the approach to determine the dividend to be payable by the Company, enhance transparency of the Company and facilitate shareholders and investors of the Company to make informed investment decisions. Details of the Company's dividend policy are disclosed in the Corporate Governance Report as set out on pages 36 to 47.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental, social and governance ("ESG") issues are fundamental to the Group's sustainability. The conscientious use of resources and adoption of best practices across the Group's businesses underlie its commitment to safeguarding the environment.

The Group obliges itself to maintain business integrity and uphold ethical standards. Guided by a belief in a fair business environment where labour, competition, privacy and intellectual property are respected, the Group makes every effort to communicate its expectations and standards to all business partners, customers and staff.

The development and opinion of staff are highly valued at the Group. By engaging staff in training opportunities and ongoing dialogues, the Group keeps its ears open for suggestions. The Group has incorporated a sound employment management system to ensure a fair, safe, healthy and diverse working environment.

In times of rapid change, competitiveness is defined by flexibility and adaptability. To answer the needs of the current and future generations, the Company carefully manages its environmental impacts according to its Environmental Policy. By optimising its operational practices, the Group continues to improve its use of resources.

Striving forward, the Company will adhere to its belief in sustainable development and improve its ESG performances with time. Capitalising on a wide scope of business, the Company will aim at spreading awareness and influence in different sectors to bring it closer to sustainability.

By publishing the Company's ESG Report, the Company seizes the opportunity to disclose its sustainability performance and solicit stakeholder feedback. The Company's ESG Report is set out on pages 56 to 79.

As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained sufficient public float as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDITOR

The financial statements for the Period were audited by Ernst & Young who will retire at the conclusion of the forthcoming annual general meeting and, being eligible, will offer itself for re-appointment.

On behalf of the Board
John Luen Wai Lee
Managing Director and Chief Executive Officer

Hong Kong, 30 March 2021

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

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.

During the nine months ended 31 December 2020 (the "Period"), the Company continued to take measures to closely monitor and enhance its corporate governance practices so as to comply with the requirements of the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the CG Code for the Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules as the code for securities transactions by Directors. Having made specific enquiry of all Directors, all Directors have fully complied with the required standard set out in the Model Code throughout the Period.

To enhance corporate governance, the Company has also established written guidelines no less exacting than the Model Code for the employees of the Group in respect of their dealings in the Company's securities.

BOARD OF DIRECTORS

The Board currently comprises seven members (the composition of the Board is shown on page 20), including two executive Directors and five non-executive Directors of whom three are independent as defined under the Listing Rules (brief biographical details of the Directors are set out on pages 22 to 24). A list containing the names of the Directors and their roles and functions can also be found on the Company's website (www.lippoltd.com.hk) and the Stock Exchange's website (www.hkexnews.hk). To the best knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationships with each other.

The Company has three independent non-executive Directors, representing more than one-third of the Board. Two independent non-executive Directors have appropriate professional qualifications or accounting or related financial management expertise under rule 3.10 of the Listing Rules. All the independent non-executive Directors have signed the annual confirmation of independence pursuant to rule 3.13 of the Listing Rules to confirm their independence. The Company considers that all independent non-executive Directors have met the independence guidelines of rule 3.13 of the Listing Rules.

BOARD OF DIRECTORS *(continued)*

Messrs. Edwin Neo (who is to retire by rotation at the forthcoming 2021 annual general meeting of the Company (the "2021 AGM")), King Fai Tsui and Victor Ha Kuk Yung have served as independent non-executive Directors of the Company for more than nine years. In addition to their confirmation of independence in accordance with rule 3.13 of the Listing Rules, each of Messrs. Edwin Neo, King Fai Tsui and Victor Ha Kuk Yung continues to demonstrate the attributes of an independent non-executive Director by providing independent views and advice. They also continue to demonstrate their abilities to exercise independent judgment and provide a balanced and objective view in relation to the Group's affairs. There is no evidence that their tenure has had any impact on their independence. The Directors are of the opinion that Messrs. Edwin Neo, King Fai Tsui and Victor Ha Kuk Yung remain independent notwithstanding the length of their service and they believe that their valuable knowledge and experience in the Group's business and their external experience continue to generate significant contribution to the Company and its shareholders as a whole. The continuous appointment of Messrs. Edwin Neo, King Fai Tsui and Victor Ha Kuk Yung as independent non-executive Directors of the Company will help to maintain the stability of the Board.

Under the Company's Articles of Association (the "Articles"), one-third of the Directors must retire from office at each annual general meeting and their re-election is subject to a vote of shareholders. In addition, every Director is subject to retirement by rotation at least once every three years notwithstanding that the total number of Directors to retire at the relevant annual general meeting would as a result exceed one-third of the Directors. Under the Listing Rules, if an independent non-executive Director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders. All the Directors have entered into letter agreements and/or employment agreements/employment contract (as applicable) with the Group setting out the key terms and conditions of their respective appointment as Directors of the Company and/or executive role in the Group.

The Board oversees the Group's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls the operating and financial performance in pursuit of the Group's strategic objectives. The Board has delegated certain functions to the relevant Board committees, details of which are disclosed below. Day-to-day management of the Group's business is delegated to the management of the Company under the supervision of the executive Directors. The functions and powers that are so delegated are reviewed periodically to ensure that they remain appropriate. Matters reserved for the Board are those affecting the Group's overall strategic policies, dividend policy, material policies and decisions, significant changes in accounting policies, material contracts, major investments and approval of interim reports, annual reports and announcements of interim and annual results. Management provides the Directors with management updates of the Group's operation, performance and position. All Directors are kept informed of and duly briefed of major changes and information that may affect the Group's businesses in a timely manner. Legal and regulatory updates are provided to the Directors from time to time for their information so as to keep them abreast of the latest rule requirements and assist them in fulfilling their responsibilities. The Company Secretary may advise the Directors on queries raised or issues which arise in performance of their duties as directors. The Board members have access to appropriate business documents and information about the Group on a timely basis. All Directors and Board committees have recourse to external legal counsel and other professionals for independent advice at the Group's expense upon their request.

BOARD OF DIRECTORS *(continued)*

Three Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, have been established to oversee particular aspects of the Group's affairs.

The Board meets regularly to review the financial and operating performance of the Group and other business units, and formulate future strategy. Five Board meetings were held during the Period.

During the Period, the Chairman held a meeting with the independent non-executive Directors without the presence of other Directors.

Individual attendance of each Director at the Board meetings and general meeting and each committee member at meetings of the Audit Committee, the Remuneration Committee and the Nomination Committee during the Period are set out below:

	Attendance/Number of Meetings				
Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting*
Executive Directors					
Dr. Stephen Riady *(Chairman)*	5/5	N/A	3/3	3/3	1/1
Mr. John Luen Wai Lee *(Managing Director and Chief Executive Officer)*	5/5	N/A	N/A	N/A	1/1
Non-executive Directors					
Mr. Jark Pui Lee	5/5	N/A	N/A	N/A	1/1
Mr. Leon Nim Leung Chan	5/5	2/2	3/3	3/3	1/1
Independent Non-executive Directors					
Mr. Victor Ha Kuk Yung *(Chairman of the Audit Committee)*	5/5	2/2	3/3	3/3	1/1
Mr. King Fai Tsui *(Chairman of the Remuneration Committee and Nomination Committee)*	5/5	2/2	3/3	3/3	1/1
Mr. Edwin Neo	5/5	2/2	3/3	3/3	1/1

* the only general meeting of the Company held during the Period was the annual general meeting held on 8 September 2020 (the "2020 AGM").

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer of the Company are segregated. Dr. Stephen Riady is the Chairman of the Board. The primary role of the Chairman is to provide leadership for the Board and to ensure that it works effectively in the discharge of its responsibilities. Mr. John Luen Wai Lee is the Chief Executive Officer of the Company. The Chief Executive Officer is responsible for the day-to-day management of the Group's business. Their respective roles and responsibilities are set out in writing which have been approved by the Board.

NON-EXECUTIVE DIRECTORS

There are currently five non-executive Directors of whom three are independent. Under the Company's Articles, every Director, including the non-executive Directors, shall be subject to retirement by rotation at least once every three years. All the non-executive Directors have a fixed term of contract of two years with the Company.

REMUNERATION OF DIRECTORS

A Remuneration Committee was established by the Board in June 2005. It has clear terms of reference and is accountable to the Board. Its terms of reference can be found on the Company's website (www.lippoltd.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The Remuneration Committee has been delegated with the authority and responsibility to determine the remuneration packages of individual Directors and senior management. Senior management of the Company comprises Directors of the Company only.

The principal role of the Remuneration Committee is to exercise the powers of the Board to review and determine or make recommendations to the Board on the remuneration packages of individual Directors and senior staff, including salaries, bonuses and benefits in kind. Salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group have been considered in determining the remuneration packages so as to align management incentives with shareholders' interests. During the Period, the Remuneration Committee reviewed and determined, with delegated responsibility, inter alia, (i) the remuneration packages of the Directors and senior staff; and (ii) service contracts of certain Directors (including the executive Directors). The Remuneration Committee also assessed the performance of the executive Directors.

Majority of the Remuneration Committee members are non-executive Directors and three of them are independent. The Remuneration Committee currently comprises five members including three independent non-executive Directors, namely Messrs. King Fai Tsui (being the Chairman of the Remuneration Committee), Edwin Neo and Victor Ha Kuk Yung, a non-executive Director, namely Mr. Leon Nim Leung Chan, and an executive Director, namely Dr. Stephen Riady. The composition of the Remuneration Committee meets the requirements of chairmanship and independence of the Listing Rules. Three meetings were held during the Period and the individual attendance of each member is set out above.

Details of Directors' emoluments and retirement benefits are disclosed in Notes 9 and 2.4(af) to the financial statements, respectively.

NOMINATION OF DIRECTORS

The Board has the power to appoint Director(s) pursuant to the Company's Articles. No new Director was appointed during the Period.

A Nomination Committee was established by the Board in June 2005. It has clear terms of reference and is accountable to the Board. Its terms of reference can be found on the Company's website (www.lippoltd.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The principal role of the Nomination Committee includes, inter alia, review of the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; assessment of the independence of independent non-executive Directors and make recommendations to the Board for the appointment of independent non-executive Directors; making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors in particular the Chairman of the Board and the chief executive; and to review the terms of reference of the Nomination Committee, the board diversity policy and the Directors' nomination policy and recommend to the Board any necessary changes required. Only the most suitable candidates who are experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be recommended to the Board for selection. Appointments are first considered by the Nomination Committee and recommendation of the Nomination Committee are then put to the Board for decision. During the Period, the Nomination Committee reviewed, inter alia, the eligibility of the Directors seeking for re-election at the 2020 AGM and assessed the independence of the independent non-executive Directors. The Nomination Committee also reviewed the existing structure, size, composition, diversity and efficiency of the Board. In addition, the Nomination Committee reviewed and recommended to the Board on the re-election of retiring Directors at the 2021 AGM.

With the support and recommendation of the Nomination Committee, the Board adopted the Directors' nomination policy (the "Nomination Policy") in January 2019. The Nomination Policy aims to, inter alia, set out the criteria and process in the nomination, appointment and re-election of Directors and ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company. The Nomination Committee is responsible to identify, evaluate and recommend potential candidates to the Board. The ultimate responsibility for selection and appointment of Directors rests with the entire Board and, where applicable, subject to the approval of the shareholders in general meeting.

Any Directors or shareholders may nominate any individuals as candidates for directorship for the consideration of the Nomination Committee in accordance with the Company's Articles, any applicable policies or procedures of the Company and/or the Listing Rules from time to time. The procedures for such shareholders' nomination are published on the Company's website (www.lippoltd.com.hk). When assessing the suitability of a proposed candidate, the Nomination Committee will take into consideration various factors including, but not limited to, character and integrity, qualification, skills and knowledge, experience, potential contributions, board diversity, number of directorships in other listed companies, independence requirements (for independent non-executive Directors) as set out in the Listing Rules and such other perspectives that are appropriate to the Company's business and succession plan.

NOMINATION OF DIRECTORS *(continued)*

Retiring Directors eligible for re-election at general meeting and proposed candidates are requested to submit the necessary information together with their written consents to be re-elected or appointed as Directors. The Nomination Committee may use any process it deems appropriate for the purpose of evaluating the retiring Director or the proposed candidate which may include, without limitation, personal interviews, background checks, written submissions by the candidate and/or third-party references. The Nomination Committee shall then recommend the proposed re-election or appointment of Director to the Board for the Board's consideration and, where applicable, the Board will make recommendation to shareholders. The Nomination Committee may nominate a suitable candidate to fill a casual vacancy on the Board for the Board's consideration and approval. A circular containing the requisite information of candidates recommended by the Board to stand for election at the general meeting (whether as new appointment or re-election) will be sent to shareholders as required under the Listing Rules.

The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and substantial and balanced development. The board diversity policy (the "Diversity Policy") was adopted by the Board in August 2013 and revised in January 2019. A copy of the revised Diversity Policy can be found on the Company's website (www.lippoltd.com.hk). The Diversity Policy sets out the approach to achieve diversity on the Board which will include and make good use of the difference in skills, professional experience, cultural and educational background, gender, age, knowledge, length of service and other qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and all board appointments will be based on merit and contribution, having regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect. The Company will also take into account factors based on its own business model and specific needs from time to time. The Nomination Committee monitors the implementation of the Diversity Policy and will at appropriate time set measurable objectives for achieving diversity under the Diversity Policy. It will review objectives for the implementation of the Diversity Policy and monitor progress towards the achievement thereof. In carrying out its responsibility for identifying suitable candidates to become members of the Board, the Nomination Committee will give adequate consideration to the Diversity Policy and the Nomination Policy. The Nomination Committee will review the Diversity Policy from time to time as appropriate to ensure its continued effectiveness. The Company believes that diversity can strengthen the performance of the Board, and promote effective decision-making and better corporate governance and monitoring.

Majority of the Nomination Committee members are non-executive Directors and three of them are independent. The Nomination Committee currently comprises five members including three independent non-executive Directors, namely, Messrs. King Fai Tsui (being the Chairman of the Nomination Committee), Edwin Neo and Victor Ha Kuk Yung, a non-executive Director, namely Mr. Leon Nim Leung Chan and an executive Director, namely Dr. Stephen Riady. The composition of the Nomination Committee meets the requirements of chairmanship and independence of the Listing Rules. Three meetings were held during the Period and the individual attendance of each member is set out above.

DIRECTORS' TIME COMMITMENT AND TRAINING

The Company has received confirmation from each Director that he had sufficient time and attention to the affairs of the Company for the Period. Directors are encouraged to participate in professional, public and community organisations. Directors have disclosed to the Company the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies and organisations and an indication of the time involved. They are also reminded to notify the Company in a timely manner of any change of such information. In respect of those Directors who would stand for re-election at the 2021 AGM, all their directorships held in listed public companies in the past three years are to be set out in the circular to shareholders regarding, inter alia, proposed re-election of retiring Directors. Other details of Directors are set out in the brief biographical details of the Directors and senior management on pages 22 to 24.

Directors are also encouraged to attend seminars and conferences to enrich their knowledge in discharging their duties as a director. The Company has arranged from time to time at its cost seminars and/or conferences conducted by professional bodies for the Directors relating to, inter alia, director's duties, corporate governance and regulatory updates. Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:

(1) participation in continuous professional training seminars and/or conferences and/or courses and/or workshops on subjects relating to, inter alia, corporate governance, directors' duties and legal and regulatory changes organised and/or arranged by the Company and/or professional bodies and/or lawyers;

(2) reading materials provided from time to time by the Company to Directors regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties; and

(3) reading news, journals, magazines and/or other reading materials regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

DIRECTORS' TIME COMMITMENT AND TRAINING *(continued)*

According to the training records provided by the Directors to the Company, all Directors participated in continuous professional development during the Period through the above means (1), (2) and (3). Records of the Directors' training during the Period are as follows:

Directors	Training received
Executive Directors	
Dr. Stephen Riady *(Chairman)*	(1), (2) and (3)
Mr. John Luen Wai Lee *(Managing Director and Chief Executive Officer)*	(1), (2) and (3)
Non-executive Directors	
Mr. Jark Pui Lee	(1), (2) and (3)
Mr. Leon Nim Leung Chan	(1), (2) and (3)
Independent Non-executive Directors	
Mr. Edwin Neo	(1), (2) and (3)
Mr. King Fai Tsui	(1), (2) and (3)
Mr. Victor Ha Kuk Yung	(1), (2) and (3)

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has arranged directors' and officers' liability insurance for years to indemnify the directors and officers of the Group against any potential liability arising from the Group's activities which such directors and officers may be held liable.

AUDITOR'S REMUNERATION

Ernst & Young has been appointed by the shareholders annually as the Company's auditor. During the Period, the fees charged to the financial statements of the Group for the statutory audit and non-statutory audit services provided by Ernst & Young (which for the purpose includes any entity under common control, ownership or management with the auditor or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the auditor nationally and internationally) amounted to approximately HK$8.2 million (year ended 31 March 2020 — HK$9.5 million) and approximately HK$0.4 million (year ended 31 March 2020 — HK$0.3 million), respectively. The non-statutory audit services provided during the Period consisted of the review of the Group's continuing connected transactions and other reporting services.

AUDIT COMMITTEE

The Board established an Audit Committee in December 1998. The Audit Committee has clear terms of reference and is accountable to the Board. Its terms of reference can be found on the Company's website (www.lippoltd.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The Audit Committee assists the Board in meeting its responsibilities for ensuring an effective system of internal control and compliance, and in meeting its external financial reporting objectives. The Audit Committee is also responsible for the Company's corporate governance functions. All Committee members are non-executive Directors and three of them including the Chairman are independent. The Audit Committee comprises four members including three independent non-executive Directors, namely Messrs. Victor Ha Kuk Yung (being the Chairman of the Audit Committee), Edwin Neo and King Fai Tsui and a non-executive Director, namely Mr. Leon Nim Leung Chan. Two meetings were held during the Period and the individual attendance of each member is set out above.

The Committee members possess diversified industry experience and the Chairman of the Audit Committee has appropriate professional qualifications and experience in accounting matters. Under its current terms of reference, the Committee will meet at least twice each year. Management and auditor shall normally attend the meetings. In addition, the Audit Committee holds regular meetings with external auditor without the presence of executive Directors and/or management.

During the Period, the Audit Committee discharged its duties by reviewing and/or monitoring financial, audit, risk management, internal control and corporate governance matters of the Group, including management accounts, financial statements, interim and annual reports, corporate governance report, risk management report and internal audit reports and discussing with executive Directors, management, external auditor and internal audit department (the "IA Department") regarding financial matters, corporate governance policies and practices and internal audit, control and risk management matters of the Group, and making recommendations to the Board including, inter alia, financial-related matters. The Audit Committee reviewed the Company's compliance with the CG Code and disclosure in the corporate governance report, the Company's corporate governance policies and practices, the training and continuous professional development of Directors and senior management, the Company's policies and practices in compliance with legal and regulatory requirements and the code of conduct applicable to employees and Directors. The Audit Committee also recommended to the Board that, subject to the shareholders' approval at the 2021 AGM, Ernst & Young be re-appointed as the Company's external auditor for the ensuing year; and reviewed the fees charged by the Company's external auditor.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises its responsibility for maintaining adequate systems of risk management and internal control and is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems. It also reviews and monitors the effectiveness of the risk management and internal control systems on an ongoing basis.

During the Period, a review of the effectiveness of the Group's risk management and internal control systems covering the risk management functions and all material controls, including financial, operational and compliance controls was conducted, details of which are set out in the Risk Management Report on pages 48 to 55. Such review will be conducted on an annual basis.

An Inside Information Policy was adopted by the Company which sets out guidelines to the Directors, officers and all relevant employees of the Group to ensure inside information (as defined in the Listing Rules) (the "Inside Information") of the Group would be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations. The Company also established Group Internal Notification Policies and Procedures for setting out guidelines for identification and notification of Inside Information and notifiable transactions (as defined in the Listing Rules). A Whistleblowing Policy and an Anti-corruption Policy were also adopted by the Group.

During the Period, the Board reviewed the adequacy of resources, qualifications and experience of staff of the Company's internal audit function as well as its accounting and financial reporting function, and their training programmes and budgets. The review will be conducted annually in accordance with the requirements of the CG Code.

INTERNAL AUDIT

The IA Department was set up in 2007 to perform internal audit and to review the internal control and risk management systems of the Group.

The principal roles of the internal audit are to ensure the effectiveness of internal control procedures and compliance with different standards and policies across different businesses and operations of the Group. The IA Department audits and evaluates the Group's internal control operation and risk management process so as to address the financial, operational and compliance risks in the Group. The Board and the Audit Committee will actively take actions based on the findings from the IA Department. The IA Department is also responsible for providing improvement recommendations to different operation teams and departments so as to minimise the risk exposure in the future.

COMPANY SECRETARY

The Company Secretary is an employee of the Company. The Company Secretary is responsible for facilitating the Board's processes and communications among Board members, with shareholders and with management. During the Period, the Company Secretary had taken over 15 hours of relevant professional training to update his skills and knowledge.

COMMUNICATION WITH SHAREHOLDERS

The Company has established a shareholders' communication policy and will review it on a regular basis to ensure its effectiveness.

The Company's Annual General Meeting (the "AGM") is one of the principal channels of communication with its shareholders. It provides an opportunity for shareholders to ask questions about the Company's performance. Separate resolutions will be proposed for each substantially separate issue at the AGM. Board members, including the Chairmen of the Board and Board committees and Board committee members, and the Company's external auditor attended the 2020 AGM and were available to answer questions from shareholders.

Under the Listing Rules, all resolutions proposed at shareholders' meetings must be voted by poll except where the chairman of a general meeting, in good faith and in compliance with the Listing Rules, decides to allow resolutions to be voted on by the shareholders on a show of hands. Details of the poll procedures will be explained during the proceedings of shareholders' meetings. The poll voting results will be released and posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lippoltd.com.hk).

To provide effective communication, the Company maintains a website at www.lippoltd.com.hk. All the financial information and other disclosures including, inter alia, annual reports, interim reports, announcements, circulars, notices and Articles are available on the Company's website.

Shareholders may direct their questions about their shareholdings to the Company's Registrar, Tricor Progressive Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or contact the Customer Service Hotline of the Company's Registrar at (852) 2980 1333. Shareholders may send their enquiries to the Board or the Company Secretary in written form to the registered office of the Company.

SHAREHOLDERS' RIGHTS

Under Section 566 of the Hong Kong Companies Ordinance (the "Companies Ordinance"), shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at the general meetings are entitled to send a request to the Company to convene a general meeting. Such requisition must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may be sent to the Company in hard copy form or in electronic form and must be authenticated by the shareholder(s) making it and deposited at the registered office of the Company or sent to the Company's email address at lippo.ir@lippohk.com. Besides, in relation to an annual general meeting which a company is required to hold, Sections 615 and 616 of the Companies Ordinance provide that shareholders representing at least 2.5% of the total voting rights of all shareholders of the company having a right to vote on the resolution at the annual general meeting or at least 50 shareholders having a right to vote on the resolution at the annual general meeting, may request the company to circulate a notice of the resolution for consideration at the annual general meeting, by sending a request, which must be authenticated by the shareholders making it, in a hard copy form or electronic form. Such request must be deposited at the registered office of the Company or sent to the Company's email address at lippo.ir@lippohk.com.

DIVIDEND POLICY

The Company considers stable and sustainable returns to the shareholders and investors of the Company to be its goal and endeavours to achieve a progressive dividend policy where appropriate. The Board had approved and adopted a dividend policy for the Company (the "Dividend Policy") in January 2019 that aims to set out the approach to determine the dividend to be payable by the Company, enhance transparency of the Company and facilitate shareholders and investors of the Company to make informed investment decisions.

In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into account the Group's earnings performance, financial position, investment and funding requirements, and future prospects. There is no assurance that a dividend will be proposed or declared in any given year.

The Board will review the Dividend Policy from time to time to ensure its continued effectiveness.

FAIR DISCLOSURE AND INVESTOR RELATIONS

The Company uses its best endeavours to distribute material information about the Group to all interested parties as widely as possible. When announcements are made through the Stock Exchange, the same information will be available to the public on the Company's website. The Company recognises its responsibility to disclose its activities to those with a legitimate interest and to respond to their questions. In all cases, great care has been taken in handling Inside Information of the Group. An Inside Information Policy was adopted by the Company which sets out guidelines to ensure Inside Information of the Group is to be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations.

Management of the Group maintains regular contacts with the investment community. A shareholders' communication policy was adopted by the Group.

During the Period, no amendments were made to the Company's Articles. The latest version of the Company's Articles is available on the Company's website (www.lippoltd.com.hk) and the Stock Exchange's website (www.hkexnews.hk).

FINANCIAL REPORTING

The Board recognises its responsibility to prepare the Company's financial statements which give a true and fair view and are in compliance with Hong Kong Financial Reporting Standards, Listing Rules and other regulatory requirements. As at 31 December 2020, the Board was not aware of any material misstatement or uncertainties that might put doubt on the Group's financial position or continue as a going concern. The Board selected appropriate accounting policies and applied consistently. Judgments and estimates were reasonably and prudently made. The external auditor is responsible for audit and report, if any, material misstatement or non-compliance with Hong Kong Financial Reporting Standards or other regulations. The Board uses its best endeavours to ensure a balanced, clear and understandable assessment of the Group's performance, position and prospects in financial reporting.

The responsibilities of the auditor with respect to financial reporting are set out in the Independent Auditor's Report on pages 80 to 85.

CORPORATE SOCIAL RESPONSIBILITY

The Group is conscious of its role as a socially responsible group of companies. It cares for and supports the communities where it operates. The Group has made donations for community well-being from time to time.

Risk Management Report

Effective risk management is essential for the Group to take the appropriate level of risks and opportunities in pursuing its strategic and business goals. The Group is committed to the continuous improvement of the risk management system in order to facilitate the long-term growth and sustainability of its businesses. During the nine months ended 31 December 2020 (the "Period"), the Group has integrated Environmental, Social and Governance ("ESG") risk factors into enterprise risk management process given that the increasing significance of ESG risks.

With reference to Enterprise Risk Management — Integrated Framework issued by COSO and ISO 31000 Risk Management — Principles and Guidelines, the Group's risk management framework comprises 3 key components:

1. Risk Management Strategy;
2. Risk Governance Structure; and
3. Risk Management Process.

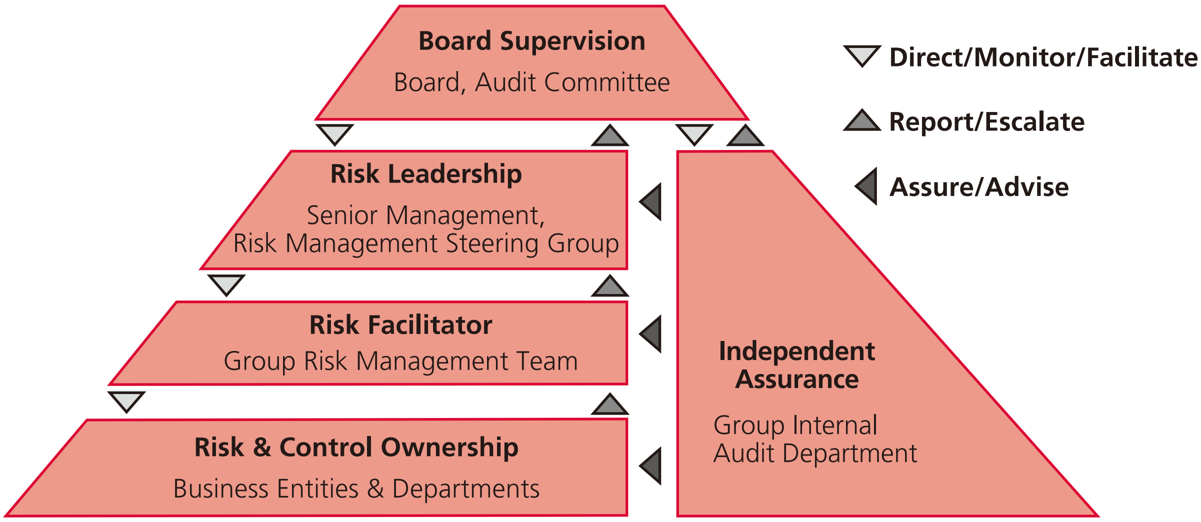
RISK MANAGEMENT STRATEGY

The Group recognises the importance of a proactive risk culture to the effective implementation of a risk management system. In order to foster the desired risk culture, the Group has integrated the risk management system into various parts of the business and day-to-day operation processes, and the Group aims to achieve the following objectives through the risk management activities:

- Promote corporate governance with a sound system of internal controls
- Embed a systematic approach to identify risks
- Enable the Group to strike the right balance between risks and rewards by making risk informed decisions in accordance with the Group's business objectives and risk appetite
- Ensure the adequacy and effectiveness of risk controls in place to manage key risks
- Ensure compliance with the relevant legal and regulatory requirements

RISK GOVERNANCE STRUCTURE

The Group's risk governance structure provides the foundation for risk monitoring and management. The roles and responsibilities of each layer are clearly established to ensure a thorough understanding among all the personnel within the Group.



The key roles and responsibilities of each layer are listed below:

Board Supervision
The Board of Directors (the "Board")
• Take the overall responsibility for the risk management and internal control systems
Audit Committee empowered by the Board
• Determine the Group's overall risk appetite and establish appropriate culture throughout the Group for effective risk governance
• Review and approve risk criteria adopted by senior management to ensure that they are aligned with the Group's risk appetite
• Oversee the risk exposure of various types including the mitigation strategies
• Provide supervision on the risk management and internal control systems and review their adequacy and effectiveness at least on an annual basis

RISK GOVERNANCE STRUCTURE *(continued)*

Risk Leadership

Senior Management

- Provide overall leadership in risk management activities, via the Risk Management Steering Group (the "RM Steering Group")

RM Steering Group led by Senior Management

- Establish risk criteria
- Assess the group level material risks and review the entity level risk profile periodically
- Determine and assign sufficient resources to implement the risk management framework and manage risks within the Group
- Update periodically the Audit Committee with the Group's risk profile and status of risk treatment plans for key business risks
- Ensure the annual review of adequacy and effectiveness of the risk management system

Risk Facilitator

Group Risk Management Team

- Implement the Group's risk management policies and plans formulated by the RM Steering Group
- Develop necessary tools and templates for risk assessment, risk treatment plan and risk reporting
- Cascade and facilitate the risk management process and activities across all business entities and departments
- Follow up on the implementation of risk treatment plans and ensure the internal controls and risk mitigations are properly designed and implemented

RISK GOVERNANCE STRUCTURE *(continued)*

Risk and Control Ownership

Business Entities and Departments

- Identify and review changes in risks in line with changes in the business environment
- Analyse risks and identify appropriate controls or risk treatment plans to address the risks
- Responsible for risk management activities and reporting in their businesses or operations
- Perform risk and control self-assessment activity to evaluate the effectiveness of risk management and internal controls for their respective entities

Independent Assurance

Group Internal Audit Department

- Conduct audit projects on various entities and functions across the Group and provide independent review on the adequacy and effectiveness of the internal control and risk management systems

RISK MANAGEMENT PROCESS

The Group's risk management process provides a systematic approach to manage risks. The following diagram illustrates the key activities in the process.

Establish Context	Identify Risks	Analyse and Evaluate Risks	Treat Risks	Report and Monitor Risks
The Group establishes risk assessment criteria and risk matrix to cascade the risk appetite across the Group and provides referencing risk inventory	Respective business entities and the Group's management identify the risks in their areas of businesses or operations	Respective business entities and the Group's management assess the likelihood and impact of the risks, determine acceptance and prioritise the risks	Respective business entities and the Group's management evaluate the existing risk controls and formulate risk treatment plan if appropriate	Respective business entities and the Group's management report the risk profile regularly to appropriate level of authority and maintain ongoing monitoring

CONTINUOUS IMPROVEMENT

The Group continues to strive for improvement on its risk management system and has taken a series of actions during the Period:

- Revised enterprise risk management reporting templates
- Revised Risk and Control Self-Assessment template
- Discussed risk management improvement initiatives across different levels of the Group
- Provided risk management training to the risk owners
- Integrated ESG risk factors into enterprise risk management process

MATERIAL RISKS

During the Period, the Group conducted risk review from the Group's perspective and on the risk profile submitted by the underneath business entities. Through this combined top-down and bottom-up risk review process, the Group has identified the material risks of various business segments for the Period.

The Group classifies risks into 4 main categories:

Strategic	— Risk resulting from suboptimal determination and execution of business strategies or changes in external business environment.
Operational	— Risk of potential financial losses and/or business instability arising from failures in internal controls, operational processes, or in the system that supports them.
Financial	— Risk resulting from financial and reporting activities and/or use of financial instruments.
Compliance	— Risk of non-compliance with any internal requirements/standards, legal/regulatory requirements, and/or any related third party legal actions/disputes.

MATERIAL RISKS *(continued)*

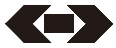
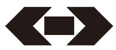
A. Group Operation

Risks	Examples of Response Taken	Risk Trend
Operational **— Natural Disaster Risk**[1] The risk of extensive damage in network facilities caused by storm, flood, landslide, extreme weather phenomenon due to climate change impacting the Group's ability to sustain operation and/or loss of critical data and/or information.	• Performed periodic system back up. • Established business continuity plan covering different disaster scenarios. • Arranged appropriate insurance coverage for different disaster scenarios.	
Operational **— COVID-19 outbreak** The risk of adverse impact to the Group's business performance due to COVID-19.	• Ensured clean and hygienic work environment. • Provided face masks and hygiene supplies to staff and required staff to wear face masks at workplace. • Implemented precautionary measures at workplace. • Implemented flexible working hours and work from home arrangement. • Temporary suspension of non-essential business travel. • Used electronic means for meetings.	
Operational **— Cyber Security Risk** The risk of financial or reputational loss or inability to deliver services and products due to unauthorised access, use, disclosure, disruption, modification, or destruction of organisational data and/or systems.	• Enhanced cyber threat prevention and detection.	
Strategic **— Macroeconomic Risk** The risk of economic downturn or slow down in economic recovery in the business region, impacting the company's profitability.	• Cost monitoring and cost management.	

[1] Material risk identified with ESG aspects

MATERIAL RISKS *(continued)*

B. Food Businesses

Risks	Examples of Response Taken	Risk Trend
Operational — Quality and Safety Risk[2] The risk of sub-standard or unsafe product, service or business activity, thereby impacting the Group's reputation, or exposing the Group to regulatory or legal actions.	• Food safety and quality management system put in place throughout the supply chain. • Established supplier assessment process. • Provided staff training on product safety and operation.	
Operational — Talent Attraction and Retention Risk The risk of failure to attract and/or retain qualified staff, impacting the business operation and achievement of business objectives.	• Provided in-house training to improve the productivity of existing staff. • Recruitment advertisements placed in different channels.	
Strategic — Competitor Risk The risk of competitors' actions (such as aggressive pricing, introduction of new product/service) or new entrants to the market, thereby impacting the Group's ability to achieve the market share target and/or sales revenue target.	• Periodic monitoring and discussion on market conditions. • Competitive pricing and provision of value added services. • Setting and periodically evaluating marketing plans and campaigns. • Continuous product or service development and improvement.	

[2] Material risk identified with ESG aspects

MATERIAL RISKS *(continued)*

C. Property Investment, Property Development and Management Services

Risks	Examples of Response Taken	Risk Trend
Strategic **— Market Dynamics Risk** The risk of unfavorable condition in the market demand, supply and price of the product/service that the company positioning, impacting the company's sales revenue target.	• Contacted property agency to find new tenants proactively in order to minimise vacancy periods. • Increased agency commission to motivate property agency.	Risk level has remained steady

Risk level has increased Risk level has remained steady

REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

During the Period, the Board, through the Audit Committee, has reviewed the adequacy and effectiveness of the risk management and internal control systems based on:

1. Regular risk management progress reports on the status of implementation;

2. Regular risk reports on the Group's material risks and entities' risk profile including key mitigations;

3. Risk and control self-assessment by various entities;

4. Regular audit reports by the Group Internal Audit Department for audit evaluation of the internal controls and key findings with relevant recommendations;

5. Consideration on the adequacy of resources, staff qualifications and experience, training programmes and budgets of the accounting, internal audit and financial reporting functions;

6. Consideration on the scope and quality of management's ongoing monitoring of the systems; and

7. Consideration on the extent and frequency of communication and reporting to the Board and Audit Committee on the risk management results and risk issues.

As a result of the review, the Board, with the confirmation from the Management of the Group, considered the risk management and internal control systems to be effective and adequate for the Period. However, it should be acknowledged that the systems are designed to manage rather than to eliminate the risks of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Environmental, Social and Governance Report

ABOUT THIS REPORT

This report captures the performance of the Company and its subsidiaries (together, the "Group") in the environmental, social and governance ("ESG") aspects for the nine months ended 31 December 2020 (the "Period" or "nine months ended 31 December 2020") (the "ESG Report"). By reporting the policies, measures and performance of the Group in ESG aspects, it allows all stakeholders to better understand the progress of the Group towards sustainability.

Reporting Boundary

The ESG Report covers the operation of the Company's head office in Hong Kong and its subsidiaries in food businesses, property development, property investment and property management, management services as well as fund management and investment management services for the Period, details of which are as disclosed herein below. While the ESG Report does not cover all of the Group's operations, the aim of the Group is to consistently upgrade the internal data collection procedure and gradually expand the scope of disclosure.

Segments	Subsidiaries covered in the reporting boundary
Food businesses	• Auric Pacific Group Limited ("Auric") • Auric Pacific Food Industries Pte. Ltd. ("Auric Pacific Food Industries") • Sunshine Bread Sdn. Bhd. (formerly known as Auric Flavours Sdn. Bhd.) ("Sunshine Bread")[1] • Cuisine Continental Group (HK) Ltd. ("CC Group") • Cuisine Continental (HK) Limited ("CCHK") • Maxx Coffee Singapore Pte. Ltd. ("Maxx Coffee") • LCR Catering Services Limited
Property development, property investment and property management	• 北京力寶世紀置業有限公司 (Beijing Lippo Century Realty Co., Ltd.) ("Beijing Lippo") • 成都力寶置業有限公司 (Chengdu Lippo Realty Limited) ("Chengdu Lippo") • 福建莆田忠信物業管理有限公司 (Fujian Putian Zhong Xin Property Management Limited) • 福州力寶商業顧問有限公司 (Fuzhou Lippo Commercial Consultants Limited) • Fairseas 1 Pte. Ltd. ("Fairseas") • One Realty Pte. Limited ("One Realty")
Management services	• 北京力寶商業顧問有限公司 (Beijing Lippo Commercial Consultants Limited) • HCL Management Limited ("HCL Management") • LCR Management Limited ("LCR Management")
Fund management and investment management services	• Lippo Investments Management Limited ("LIM")

[1] Sunshine Bread was in limited commercial operation during the Period.

ABOUT THIS REPORT *(continued)*

Reporting Standard

The ESG Report was prepared in accordance with the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. To ensure the accuracy of key environmental performance indicators, the Group commissioned a professional consultant to conduct a carbon assessment. Selected key performance indicators that are categorised by the ESG Reporting Guide as "recommended disclosures" are also included in the ESG Report.

In preparation for the ESG Report, the Group adheres to the reporting principles of "Materiality", "Quantitative", "Balance" and "Consistency":

Reporting principles	The Group's application
Materiality	Material environmental and social issues were identified through stakeholder engagement and the materiality assessment was presented to the Board of Directors (the "Board"). Relevant contents have been prioritised and disclosed in the ESG Report.
Quantitative	The Group records and discloses key performance indicators in quantitative terms as appropriate.
Balance	The ESG Report discloses information in an objective manner, giving stakeholders an unbiased picture of the Group's overall ESG performance.
Consistency	As far as practicable and unless stated otherwise, the Group employs consistent measurement methodology to allow for meaningful comparison of ESG data over time.

Confirmation and Approval

Information in the ESG Report was sourced from the official documents, statistical data and management and operational information of and collected by the Group. The ESG Report was approved by the Board of the Company on 30 March 2021.

Opinion and Feedback

The Group values the opinion of stakeholders. If any stakeholder has any feedback or suggestions on the ESG Report, please send them to the registered office of the Company at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong or the Company's email address at lippo.ir@lippohk.com. Your feedback or suggestions would greatly help the Group continuously improve its ESG performance.

MANAGEMENT APPROACH TO ESG

The Board takes the overall responsibility for the oversight of the Group's ESG matters, including policies, measures, performance and risks. Through regular board meetings, the Board evaluates and reviews ESG matters as appropriate.

A working group that comprises representatives from business divisions and compliance team, is delegated to identify, evaluate and manage material ESG related issues. The working group implements ESG policies and strategy, carry out materiality assessment and prepare the ESG Report. To better prepare the Group for future challenges and opportunities, it is on the Group's agenda to continue enhancing its ESG governance and develop sustainability strategies more comprehensively.

During the Period, ESG online training workshops covering ESG reporting, improvement opportunities and updates of local reporting standards were organised for the staff of the Group.

ESG Risk Management and Internal Control Systems

The Group considers effective risk management as an integral part of day-to-day operations and sound corporate governance. It is essential for the Group to evaluate risks that may prevent or endanger the achieving of its strategic and business goals, and identify opportunities ahead. Given the increasing significance of ESG risks, the Group has integrated ESG risk factors into enterprise risk management process.

The Board has the overall responsibility for maintaining an appropriate and effective risk management and internal control systems. The Group's risk governance structure and risk management process span all business entities and departments. Empowered by the Board, the Audit Committee reviews and approves risk criteria, oversees the risk exposure and reviews the adequacy and effectiveness of the systems.

To increase risk awareness among business entities and departments, relevant risk management training sessions were provided to the risk owners of the business entities and departments during the Period.

For further information regarding the Group's risk governance structure, management strategy and major risks identified, please refer to the Risk Management Report on pages 48 to 55.

MANAGEMENT APPROACH TO ESG *(continued)*

Stakeholder Engagement

The Group defines its stakeholders as internal or external groups or individuals who have a significant impact on the Group's business, and those who are materially influenced or affected by the Group's business. Key groups of stakeholders are shown below:

Internal Stakeholders	External Stakeholders
• The Board • Management • General staff	• Investors • Shareholders • Suppliers • Business partners • Auditors • Customers • Service providers • Bankers • Communities • Non-governmental organisations • Media

Understanding the needs and expectations of stakeholders enables the Group to formulate strategies that respond to their concerns and manage potential risks. To solicit their feedback, the Group engages its key stakeholders through a range of channels such as meetings, emails, telephone, interviews, visits, website and survey.

Highlights of regular stakeholder engagement

Employees	Suppliers
Engage employees through implementing a range of initiatives to create a healthy workplace with development opportunities.	Keep suppliers aware of the Group's social and environmental standards during supplier selection and assessment.

Customers	Communities
Communicate with customers to improve the products and services the Group delivers, and enhance their satisfaction.	Support the community through making charitable efforts, such as donation and sponsorship.

The Group believes that stakeholder engagement is a continuous process and will continue to explore different forms of engagement channels in order to strengthen its interaction with stakeholders to create mutually beneficial relationships.

MANAGEMENT APPROACH TO ESG *(continued)*

Materiality Assessment

To ensure the ESG Report addresses the environmental and social issues that are important to the Group and its stakeholders, the independent consultant commissioned by the Group adopted a four-step approach to conduct a materiality assessment.

Step		Outcome
1	Identify relevant issues	• A list of issues was compiled through reviewing existing and previous engagement results, with reference to local reporting standards. • 22 relevant issues were identified in aspects of "Environment" and "Social".
2	Collect feedback	• A quantitative online survey was conducted, with 189 valid responses from internal and external stakeholders received.
3	Identify material issues	• The materiality of each relevant issue was assessed by considering its importance to the stakeholders and the Group's impact on the environment and society. • The results are shown in the table below, together with the aspects of the ESG Reporting Guide to which they relate.
4	Validation	• The materiality assessment results were presented to the Board and senior management.

MANAGEMENT APPROACH TO ESG *(continued)*

Materiality Assessment *(continued)*

ESG aspects set out in the Reporting Guide			Material ESG issues
A. Environment	A1:	Emissions	• Air emissions • Greenhouse gases ("GHG") emissions • Waste
	A2:	Use of resources	• Energy • Water • Packaging materials
	A3:	The environment and natural resources	• No other significant environmental impact
B. Social	B1:	Employment	• Diversity and equal opportunities • Fair and competitive remuneration • Employee relations
	B2:	Health and safety	• Employee health and safety
	B3:	Development and training	• Development and training
	B4:	Labour standards	• Labour standards
	B5:	Supply chain management	• Supply chain management
	B6:	Product responsibility	• Responsible marketing and customer communication • Safety and quality management • Protection of data privacy and intellectual property rights
	B7:	Anti-corruption	• Anti-corruption and whistleblowing
	B8:	Community investment	• Community investment

A. ENVIRONMENT

Upholding the principle of environmental responsibility for the interest of the communities, the Group strives to address and reduce the environmental impacts in its operations. In line with its Environmental Policy, the Group operates in an environmentally responsible and resource-efficient way and considers the material environmental risks and opportunities in its business decisions. All subsidiaries are expected to make ongoing efforts in managing and minimising their environmental impact through establishing applicable procedures and measures. Subsidiaries of food businesses such as Auric Pacific Food Industries operate with the implementation of ISO 14001 Environmental Management Systems. Auric Pacific Food Industries has also been ISO 14001 certified since 2000. The Group's environmental performance is regularly monitored and reviewed to ensure compliance with regulatory requirements and industry standards.

Environmental Performance Highlights

Total GHG emissions 9,958.9 tonnes of CO_2-e	Total energy consumption 24,389.6 MWh-e	Total non-hazardous waste generated 5,452.2 tonnes
Total water consumption 116,688.8 m^3	Total packaging materials used 555.0 tonnes	

Further details of the environmental performance of the Period are provided below.

A. ENVIRONMENT *(continued)*

A1: Emissions

Air emissions

Key air pollutants included nitrogen oxides, sulphur oxides and respirable suspended particles, which were emitted by manufacturing equipment, cooking equipment and vehicles. The air emissions for the Period was lower when compared to that for the year ended 31 March 2020 ("year ended 31 March 2020"). This was mainly due to a shorter reporting period and a decrease in fuel consumption by company vehicles.

The air emissions data is set out in the table below.

Air emissions	Nine months ended 31 December 2020	Year ended 31 March 2020
Nitrogen oxides (kg)	43,838.8	58,784.9
Sulphur oxides (kg)	3,363.0	4,530.9
Respirable suspended particulates (kg)	3,147.9	4,210.9

GHG emissions

The quantification of GHG emissions was conducted in accordance with international and local standards, including:

- the Guidelines for Accounting and Reporting Greenhouse Gas Emissions – China Public Building Operator Units (Enterprises) (Trial) of the People's Republic of China (the "PRC");
- the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong;
- ISO 14064-1; and
- the GHG Protocol.

A. ENVIRONMENT *(continued)*

A1: Emissions *(continued)*

GHG emissions (continued)

The GHG emissions data is set out in the table below.

GHG emissions	Nine months ended 31 December 2020	Year ended 31 March 2020
Scope 1: Direct emissions (tonnes of CO_2-e)	3,361.5	4,440.6
Scope 2: Energy indirect emissions (tonnes of CO_2-e)	6,567.8	6,165.0
Scope 3: Other indirect emissions (tonnes of CO_2-e)	29.6	111.5
Total GHG emissions (Scope 1, 2 and 3) (tonnes of CO_2-e)	9,958.9	10,717.1
GHG intensity (tonnes of CO_2-e/m^2)	0.113	0.121

Scope 1 emission sources include combustion of fuels in stationary sources, combustion of fuels in mobile sources and GHG releases from equipment and systems.

Scope 2 emission sources include electricity purchased from power companies in Hong Kong Singapore, the PRC and Malaysia and gas purchased from Towngas in Hong Kong.

Scope 3 emissions include methane gas generation at landfills in Hong Kong due to disposal of paper waste, GHG emissions due to electricity used for fresh water processing by the Water Services Department in Hong Kong, and GHG emissions due to electricity used for sewage processing by the Drainage Services Department in Hong Kong.

The total GHG emissions of the Period was 9,958.9 tonnes of CO_2-e. The GHG intensity was 0.113 tonnes of CO_2-e/m^2, which was lower than that of the year ended 31 March 2020. The primary source of GHG emissions was Scope 2 energy direct GHG emissions, which was mainly contributed by electricity consumption, accounting for nearly 65.9% of the total GHG emissions. Scope 1 direct GHG emissions and Scope 3 other indirect GHG emissions constituted 33.8% and 0.3% of the total GHG emissions respectively.

To reduce emissions at source, the Group continues to give priority to purchase of machines, equipment and company vehicles with higher energy efficiency and lower emissions, such as LED lights and Euro V and electric vehicles. Regular maintenance of company vehicles is carried out and eco-driving such as switching off idling engines are promoted. Moving forward, the Group will consider the possibility of using the emission data in support of establishing a group-wide carbon reduction strategy, identifying carbon reduction actions and setting reduction targets.

A. ENVIRONMENT *(continued)*

A1: Emissions *(continued)*

Waste

Mindful of its responsibility to manage and reduce the waste it produces, the Group has implemented a set of measures at offices, production facilities and retail stores:

General waste	Offices: • Practise reuse and recycling in offices where applicable • Reuse one-sided paper for printing • Adopt e-communication whenever possible Production facilities and retail stores: • Give priority to durable tools and equipment during purchasing • Reuse store decorations • Reuse shipment trays
Food waste	• Conduct sales forecasts and monitor return of excess products for adjusting production patterns • Standardise control of production process to achieve consistency in product quality and reduce defective products • Store perishable ingredients properly • Repurpose leftover ingredients in other dishes, such as bread cubes, while maintaining quality and safety standards • Donate surplus food to local organisations for redistribution to the needy • Practise food waste collection where applicable

During the Period, the Group produced 5,452.2 tonnes of non-hazardous waste and generated minimal quantities of hazardous waste. Non-hazardous waste intensity was 0.06 tonnes/m^2 floor area. Major non-hazardous waste generated throughout the Group's operations are domestic solid waste from offices, and food waste and packaging waste from food businesses. Due to the COVID-19 pandemic, the cartons of the extra takeaway packaging was observed. All non-hazardous waste was collected and handled by authorised waste collectors. Certain subsidiaries keep on encouraging customers to bring their own utensils for takeaway meals by offering incentives such as discounts to their customers.

A. ENVIRONMENT *(continued)*

A1: Emissions *(continued)*

Waste (continued)

The non-hazardous waste data is set out in the table below.

Waste[2]	Nine months ended 31 December 2020	Year ended 31 March 2020
Non-hazardous waste (tonnes)	5,452.2	4,846.1
Non-hazardous waste intensity (tonnes/m^2)	0.06	0.06

A2: Use of Resources

Energy

Improving operational energy efficiency is a fundamental strategy to reduce energy consumption and associated GHG emissions. To conserve energy, a series of energy-efficiency initiatives have been implemented across the subsidiaries:

- Automatic lighting controls on a set schedule to save energy during non-business hours;
- Set thermostat of air conditioner to optimal temperature that balance employee comfort and energy use;
- Perform regular cleaning and maintenance of air-conditioning systems;
- Install lighting control sensor in the Company's head office;
- Choose energy efficient electrical appliances where applicable;
- Give priority to LED lights when there is need for replacement; and
- Defrost food ingredients by placing them in the refrigerators.

[2] Auric, Maxx Coffee, Fairseas and One Realty were excluded due to the development of waste data management system. The Group is progressively improving the waste data management system to enhance disclosure for future reports.

A. ENVIRONMENT *(continued)*

A2: Use of Resources *(continued)*

Energy (continued)

The total energy consumption of the Period was 24,389.6 MWh-e. The energy intensity was 0.28 MWh-e/m^2 floor area, which is almost 5% lower than that of the year ended 31 March 2020. This was mainly due to a decrease in fuel consumption by company vehicles and towngas consumption in several subsidiaries.

Energy consumption		Nine months ended 31 December 2020	Year ended 31 March 2020
Direct energy	Petrol (MWh-e)	80.6	188.5
	Diesel (MWh-e)	9,732.8	13,125.8
	Natural gas (MWh-e)	2,492.1	300.4
	Towngas (MWh-e)	456.4	688.3
Indirect energy	Electricity (MWh)	11,627.8	11,458.7
Total energy consumption (MWh-e)		24,389.6	25,761.7
Energy intensity (MWh-e/m^2)		0.28	0.29

Water

The Group mainly withdraws water from municipal supplies and has no issue in sourcing water during the Period. Domestic water is consumed for personal hygiene and routine cleaning. To reduce water consumption, water taps with lower flow rate are installed and regular maintenance of water supply system are performed. For example, all stores of CC Group and CCHK are equipped with water saving taps and dishwashers with higher water efficiency.

Domestic effluents are discharged into municipal wastewater sewage treatment systems. At Auric Pacific Food Industries where production activities are undertaken, pre-treatment and third-party testing are conducted prior to wastewater discharge. Grease traps are regularly cleaned and maintained at retail stores of CC Group and CCHK.

The total water consumption of the Period was 116,688.8 m^3, and the water intensity was 1.35 m^3/m^2 floor area. There was a decrease of 43.8% in water intensity for the Period, compared to that of the year ended 31 March 2020. This was mainly due to shorter operating hours and closure of outlets during the COVID-19 lockdown.

Water consumption[3]	Nine months ended 31 December 2020	Year ended 31 March 2020[4]
Total water consumption (m^3)	116,688.8	207,604
Water intensity (m^3/m^2)	1.35	2.40

3 Beijing Lippo, One Realty and LIM, which operated in leased premises with the supply of water controlled by building management and no sub-metering for individual occupants, were excluded for calculating figures for the Period and the year ended 31 March 2020.

4 The Group is progressively improving the data management system to enhance the accuracy of the disclosure. The relevant figures are modified due to technical refinement.

A. ENVIRONMENT *(continued)*

A2: Use of Resources *(continued)*

Packaging materials

Use of packaging materials is relatively material in the Group's food businesses. The following practices are adopted with a view to minimising its use of packaging materials:

- Packaging, storage, transportation and preparation processes are reviewed at the product development stage, aiming to minimise the materials and packaging needed
- Communicate with suppliers on environmentally friendly alternatives
- Avoid unnecessary wrapping of food products
- Use packaging and takeaway cutleries that are more environment-friendly such as FSC-certified paper or bio-degradable plastic
- Encourage customers to use their own bags before offering paper or plastic bags
- No plastic straws are provided

Packaging materials	Nine months ended 31 December 2020	Year ended 31 March 2020
Total packaging materials used (tonnes)	555	419
Packaging materials intensity (tonnes/HK$1 million revenue)	0.97	0.45

The total packaging materials used of the Period was 555 tonnes, and the packaging materials intensity was 0.97 tonnes/HK$1 million revenue. There was an increase of 32.5% in packaging materials for the Period, compared to that of the year ended 31 March 2020. Such increase was mainly due to the increase in sales from takeaway and food delivery services following the implementation of social distancing measures and restrictive dine-in hours during COVID-19 pandemic.

A. ENVIRONMENT *(continued)*

A3: The Environment and Natural Resources

Other environmental impacts

In addition to the emissions and resource use disclosed hereinabove, the nature of the Group's operation does not have any significant impact on the environment and natural resources. Moving forward, the Group will constantly be working to reduce the consumption of energy, water and other natural resources across its operations and to use environmentally friendly products and services whenever possible.

There are no relevant laws and regulations in relation to the environment that have a significant impact on the Group. During the Period, the Group did not identify any non-compliance cases regarding environmental laws and regulations.

B. SOCIAL – CARING FOR OUR EMPLOYEES

An engaged and talented workforce is the core pillar for the Group's long-term growth and viability. With this in mind, the Group aspires to create an engaged, healthy and safe workplace that respects different cultures and supports employee development. In line with the Human Resources Policy, the Group has implemented a range of measures and initiatives supporting employee performance.

B1: Employment Management System

A sound employment system is the first step in talent attraction and retention. The Group defines its principles for developing a motivating, diverse, impartial, harmonious and safe working environment in the Human Resources Policy. Employment policies and procedures are established across different operations to give clear guidelines on recruitment, promotion, dismissal, hours of work, rest periods, overtime, compensation and benefits and other employment arrangements.

Diversity and equal opportunities

Diversity and equal opportunities are one of the pillars forming the core of the Human Resources Policy. Employees are given equal access to opportunities irrespective of their age, gender, marital status, pregnancy, sexual orientation, family status, disability, politics, race, nationality or religion. Recruitment, compensation, rewards and promotion are fairly based on employees' performance, aptitude and potential. Various subsidiaries have policies, procedures and measures in support of a culture of diversity and equal opportunities. To enhance employee awareness, subsidiaries such as CC Group and CCHK communicate their equal opportunity policy to all head office staff and frontline managerial staff during the induction training.

Fair and competitive remuneration

To enhance employee well-being, the Group develops and delivers comprehensive welfare and benefits. The Group's remuneration package offers a number of benefits on top of the statutory requirements, such as paid marriage leave, medical and compassionate leave, generous annual leave, healthcare and life insurance.

B. SOCIAL – CARING FOR OUR EMPLOYEES *(continued)*

B1: Employment Management System *(continued)*

Employee relations

Open communication helps build trust and higher levels of engagement in the workplace. Communication channels are available for employees to raise any concerns at work to their direct supervisors and managers, the Human Resources Department, the General Manager or the Chief Executive Officer as appropriate. All feedback received will be handled confidentially. The Group did not receive any employee grievances during the Period.

The employment data is set out in the table below.

Number of employees														
			Age		Employee category		Employment type				Nine months ended 31 December 2020		Year ended 31 March 2020	
Region	Gender	Below 30	30–50	Above 50	Management	Other employees	Full-time	Part-time	Subtotal	Total (by region)	Total workforce	Male to female ratio	Total workforce	Male to female ratio
Hong Kong	Male	66	87	40	14	179	129	64	193	534	1,333	1.07:1	1,397	1.1:1
	Female	84	161	96	10	331	151	190	341					
Singapore	Male	70	180	89	13	326	316	23	339	561				
	Female	87	74	61	9	213	109	113	222					
PRC	Male	0	14	19	7	26	33	0	33	58				
	Female	1	17	7	3	22	24	1	25					
Malaysia	Male	82	39	2	13	110	123	0	123	180				
	Female	33	24	0	5	52	57	0	57					

B2: Employee health and safety

Safeguarding the health and safety of employees has always been a priority to the Group's operations. It's the Group's goal to minimise safety and health risks to employees and protect them from workplace hazards, as stated in the Human Resources Policy.

On the food businesses front, safety committees have been established at a number of subsidiaries of food businesses to oversee and monitor occupational health and safety. Taking Maxx Coffee as an example, its safety committee is responsible for developing, implementing and administering a comprehensive safety management system. It has to ensure the safety standards at retail outlets and baking centre are compliant with all statutory obligations and practices. Health and safety issues are regularly reviewed and resolved at meetings. The relevant departments are also briefed on the latest applicable laws and regulations.

B. SOCIAL – CARING FOR OUR EMPLOYEES *(continued)*

B2: Employee health and safety *(continued)*

To help employees understand the safety practices and prioritise safety at work, a set of clear safety guidelines are established and communicated:

- Prevention of occupational hazards and ill-health
- Safe operation of machines
- Fire prevention
- Manual handling operations
- Chemicals handling
- Housekeeping in factory
- Emergency safety procedures
- Safety procedures in office
- Safety incident reporting

The most common safety hazards across factories and restaurants are cuts, burn and scald, slips, trips and bruises. To avoid potential hazards, guidance on appropriate operating procedures and proper use of protective equipment for performing different tasks are given to employees through the safety guidelines.

Regular safety inspections are carried out to maintain good housekeeping. For example, monthly assessment at retail stores is conducted at CC Group and CCHK to maintain a safe working environment and ensure first aid materials are well-stocked and kept in good condition. Through monthly meetings, the Human Resources Department reviews and discusses health and safety issues with restaurant managers. The meetings also aim to enhance the safety awareness of restaurant managers through case studies and sharing information on preventive actions. To improve overall safety performance, the Group encourages employees to provide suggestions on improving workplace health and safety through various communication channels.

To enhance overall safety awareness, subsidiaries such as Maxx Coffee communicate the safety practices to current and newly hired factory employees through safety guidebooks and safety training, including structured classroom and on-the-job training. Employees are required to sign a "Letter of Undertaking" to acknowledge their completion of the training. To prepare employees for fire emergencies, the fire safety committees of food businesses organise fire drills and training on a regular basis.

In the operations of property development, property investment and property management segment, the Group ensures they are sufficiently protected with adequate personal protective equipment readily available on site to prevent employees from injuries. The Group disseminates a special accident handling guideline to various departments, including the engineering department, security department and cleaning department, in preparation for special accidents that may occur, such as electric shock, strong acid and alkali injury, heat stroke and syncope, etc. Fire drills are regularly held to better prepare employees in emergencies to ensure that they can efficiently identify and mitigate potential risks in the event of a fire.

B. SOCIAL – CARING FOR OUR EMPLOYEES *(continued)*

B2: Employee health and safety *(continued)*

The Group provides employees with medical insurance programmes to enhance their well-being. During the outbreak of the COVID-19 pandemic, the Group provided free surgical masks, work from home arrangement and flexible working hours to the employees in Hong Kong. It also assisted the employees in buying disinfectant products. Offices and common areas were regularly sanitised and equipped with adequate cleaning and hygiene supplies.

During the Period, the Group regrets that there were 20 cases of work related injuries covered in the reporting boundary. The injuries were caused by incidents such as burn, cut, sprain, slip and fall. The Group has conducted investigations and implemented preventive measures to prevent reoccurrence, such as providing suitable personal protective equipment (PPE), developing enforcement at workplace and related standard operating procedures, and ensuring smoother workflow while using mobile machinery in warehouse. Cases have been shared in regular meetings and training to enhance safety awareness.

Work-related fatality and injury

	Number and rate of work-related fatalities		Number of work-related injury		Rate of work-related injury (per 100 workforce)[5]	
Region	**Nine months ended 31 December 2020**	Year ended 31 March 2020	**Nine months ended 31 December 2020**	Year ended 31 March 2020	**Nine months ended 31 December 2020**	Year ended 31 March 2020
Hong Kong	0	0	7	14	1.3	2.3
Singapore	0	0	8	11	1.4	1.9
PRC	0	0	0	0	0	0
Malaysia	0	0	5	3	2.8	1.9
Total	0	0	20	28	1.5	2.0

[5] Rate of work-related injury (per 100 workforce) = number of injured employees / total number of employees x 100.

B. SOCIAL – CARING FOR OUR EMPLOYEES *(continued)*

B3: Development and training

The Group invests in employee training and development to build and sustain a competent and energised workforce in the long run. As outlined in the Human Resources Policy, a clear framework on the provision of learning and development opportunities is set out to promote employees' personal growth. By supporting employees to seek varieties of internal and external training courses, they will be able to acquire requisite skills and advance in their roles.

It is the Group's endeavour to create an inspiring and energetic team that never stops learning. The Group arranges training sessions with regard to the latest regulatory requirements and insights into corporate governance specifically for Directors and senior management who will be leading the Group's employees. Training related to enterprise risk management was also provided to employees across subsidiaries. Training courses, ranging from retail quality and hygiene to customer services and leadership skills, are also offered to frontline managers and office employees from the Group's subsidiaries in food businesses, such as CC Group and CCHK. To motivate employees to become self-driven learners, the Group provides financial incentives to employees taking additional training and development programmes.

Performance management and development process are carried out for employees to assess their performance throughout the Period. The purpose of an annual performance appraisal is to evaluate employees' personal and professional growth against various performance indices and annual objectives. The relevant divisions and departments are responsible for conducting coaching, assessing development needs of employees and setting aside training and development budgets.

Number and percentage of employees trained[6]

Region	Gender	Employee category: Management	Employee category: Other employees	Subtotal	Nine months ended 31 December 2020 Total (by gender): Male	Nine months ended 31 December 2020 Total (by gender): Female	Year ended 31 March 2020 Total (by gender): Male	Year ended 31 March 2020 Total (by gender): Female
Hong Kong	Male	5 (36%)	58 (32%)	63 (33%)	96 (14%)	132 (20%)	238 (33%)	261 (39%)
	Female	1 (10%)	98 (30%)	99 (29%)				
Singapore	Male	5 (38%)	0 (0%)	5 (1%)				
	Female	5 (56%)	16 (8%)	21 (9%)				
PRC	Male	0 (0%)	0 (0%)	0 (0%)				
	Female	0 (0%)	0 (0%)	0 (0%)				
Malaysia	Male	1 (8%)	27 (25%)	28 (23%)				
	Female	0 (0%)	12 (23%)	12 (21%)				

6 Percentage of employees trained = number of employees trained in specified category / number of employees in specified category x 100%.

B. SOCIAL – CARING FOR OUR EMPLOYEES *(continued)*

B3: Development and training *(continued)*

Breakdown of percentage of employees trained/Number of employees who took part in training[7]			
Employee category		Gender	
Management	Other employees	Male	Female
7%	93%	42%	58%

Average training hours[8]					Nine months ended 31 December 2020 Total (by gender)		Year ended 31 March 2020 Total (by gender)	
		Employee category						
Region	Gender	Management	Other employees	Subtotal	Male	Female	Male	Female
Hong Kong	Male	2.8	0.9	1.1	11.2	3.0	4.1	3.4
	Female	0.7	0.6	0.6				
Singapore	Male	7.8	0	0.3				
	Female	5.2	1.0	1.2				
PRC	Male	0	0	0				
	Female	0	0	0				
Malaysia	Male	0.2	67.5	60.4				
	Female	0	28.4	25.9				

B4: Labour standards

To maintain high ethical labour standards and comply with all relevant laws and regulations, the Group acknowledges its responsibility and actively works towards the prohibition of child and forced labour through the implementation of effective systems and controls across its businesses, as stated in the Human Resources Policy. During the recruitment process, all applicants' identity document, academic qualifications, talent, age and experience will be screened.

There are no relevant laws and regulations in relation to health and safety, employment and labour standards that have a significant impact on the Group. During the Period, the Group did not identify any non-compliance cases regarding health and safety, employment, child labour and forced labour.

7 Breakdown for employees trained = employee trained in specified category / total number of employees trained x 100%.

8 Average training hours = number of training hours for employees in specified category / number of employees in specified category.

B. SOCIAL – OPERATING RESPONSIBLY

Business ethics and consistently high standards of product quality are essential for the long-term viability of the Group's business. The Group's commitment and approach to responsible corporate citizenship are underpinned by the following policies and guidelines:

- Product and Service Responsibility Policy
- Anti-corruption Policy
- Whistleblowing Policy
- Sustainable Supply Chain Policy

B5: Supply chain management

The Group places emphasis on enhancing its supply chain management to build a more sustainable supply chain. The Sustainable Supply Chain Policy underlines its commitment and expectations on suppliers. Subsidiaries are expected to implement procurement practices that align the Group's policy and other procurement policies that governs day-to-day operations.

To manage the social and environmental risks in its supply chain, the Group states clearly in its policy the environmental and social factors that should be considered in the supplier selection and monitoring processes. Given that potential suppliers meet all other requirements, preference should be given to the supplier with better credentials or merits under the four pillars below. Subsidiaries are expected to conduct on-going monitoring and regular review of the relevant performance of suppliers.

Pillar	Consideration of credentials or merits achieved by suppliers
Business ethics	• Formulation of business code of conduct, policies related to regulatory compliance and policies related to the protection of employee rights, awards or accreditation obtained • Compliance with laws and regulations related to business ethics, environment and social responsibility
Product/service safety and quality	• Quality management system, assurance function, awards or accreditation obtained
Work health and safety	• Safe working environment, health and safety management system, policy, training, record of incident rate and awards achieved related to health and safety
Environmental management	• Environmental management system, policy and awards achieved

B. SOCIAL – OPERATING RESPONSIBLY *(continued)*

B5: Supply chain management *(continued)*

To uphold values for social responsibility, the Group encourages subsidiaries to invite local suppliers to participate in the selection process and consider small firms, voluntary, community service and ethnic minority organisations and/or social enterprises as potential suppliers, as far as practicable. Subsidiaries are also suggested to consider purchasing environmentally friendly products and services whenever feasible.

To support sustainable procurement, subsidiaries of food businesses consider and purchase organic and seasonal materials, fair trade products, food ingredients certified by Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) and packaging materials certified by Forest Stewardship Council (FSC), as far as practicable.

On top of constantly enforcing these standards, the Group will explore possibilities in developing a more comprehensive approach to identify and manage potential environmental and social impacts across its supply chain.

B6: Product Responsibility

The Group is committed to delivering products and services that are safe and of high quality to its customers. Guided by the Product and Service Responsibility Policy, the Group ensures the products and services it offers are complied with laws and regulations relating to privacy matters, health and safety, advertising and labelling, etc.

Responsibility marketing and customer communication

The Group is mindful of its obligations to advertise and label its products and services responsibly. Information on products and services are provided through printed communication materials and digital platforms in daily operations. For example, product labels provide customers with information on allergens, product shelf life dates, and storage and consumption advice.

Seeking to help customers make informed choices and protect their interest, the Group promotes and advertises its products and services in ways that do not mislead customers and ensures that the information provided are adequate and reliable. At subsidiaries such as CC Group and CCHK, sharing sessions on customer services are held to provide restaurant managers with insights into handling and responding to customer queries on products and services. Subsidiaries such as Chengdu Lippo conduct visits to their tenants to collect their feedback and identify ways to improve their products and services.

There are no relevant laws and regulations in relation to product and services responsibility, including health and safety, advertising, labelling and privacy matters that have a significant impact on the Group. During the Period, the Group did not identify any cases of non-compliance or complaints regarding product and services responsibility.

B. SOCIAL – OPERATING RESPONSIBLY *(continued)*

B6: Product Responsibility *(continued)*

Safety and quality management in food businesses

Ensuring the safety and quality of products and services delivered is a priority at all times across the Group's food businesses. Subsidiaries such as Auric Pacific Food Industries, CC Group, CCHK and Maxx Coffee have implemented a number of management systems. Through these systems, food safety risks are assessed and monitored on an on-going basis.

Major management systems adopted			
ISO 9001 Quality Management System	ISO 22000 Food Safety Management System	Good Manufacturing Practices (GMP)	Hazard Analysis and Critical Control Point (HACCP) system

To identify and minimise potential food safety hazards, the Group has in place a range of preventive and mitigation measures across its production and retail value chain, from suppliers, production, logistics to retail. These ensure the products sold meet the Group's standards and regulatory requirements relating to health and safety.

Production and retail value chain	Preventive and mitigation measures
Vendor assessment	• Evaluate new and existing suppliers against quality and safety requirements through audit
Incoming materials inspection	• Perform assessment in accordance with the established acceptance criteria during receiving of raw materials, including raw ingredients, dry ingredients, seasoning and packaging
Materials storage	• Ensure materials are kept in appropriate locations and temperatures according to the product categories
Handling and processing of products	• Staff are required to follow proper operating procedures, and maintain personal hygiene and cleanliness when carrying out daily production duties • Properly clean and maintain production facilities and equipment
End products testing	• Perform laboratory testing to ensure the microbiological quality of end products and goods for sale at stores meet regulatory requirements
Logistics	• Ensure the condition of warehouse, storage areas and delivery fleet are properly maintained and cleaned
Retail	• Conduct regular quality assessment of retail stores

B. SOCIAL – OPERATING RESPONSIBLY *(continued)*

B6: Product Responsibility *(continued)*

Safety and quality management in food businesses (continued)

To ensure food safety at retail level, subsidiaries such as CC Group and CCHK have conducted retail quality assessment at stores on a regularly basis, evaluating the procedures for food preparation, food hygiene and personal hygiene, services received by customers, and cleanliness and maintenance of the premises. In the event of any non-conformances identified, responsible personnel will be assigned for initiating and executing improvement actions. Results of retail quality assessment, customer complaints in relation to product quality and improvement actions will be shared with store-in-charge during monthly training. To maintain good indoor air quality for customers, CC Group and CCHK has performed regular cleaning and maintenance of air-conditioners. High-efficiency particulate air (HEPA) filter and plasma filter have been installed at the store in Hong Kong International Airport to filter out very fine particles.

In the event of any non-conforming or potentially unsafe product is spotted, or a product recall is required, the Group has in place a controlling and handling procedure. Respective departments are responsible for segregating and evaluating the non-conforming products, and initiating corrective actions.

Safety and quality management in property development, property investment and property management

To take care of the health of tenants, subsidiaries are expected to establish facility hygiene requirements and maintain pest control. In the operations of property management, the property management companies engaged by subsidiaries provide regular maintenance of equipment and fixtures in the buildings, safety and security for tenants, and fire and emergency surveillance. In response to the COVID-19 pandemic, the property management companies have been rigorously carrying out preventive measures such as temperature taking, record keeping and monitoring the health of staff to contain the spread of virus. For property development, the Group did not have any ongoing property project under development during the Period. Product health and safety as well as quality project management were not considered as material issues for this business segment.

Protection of data privacy and intellectual property rights

The Group respects customer privacy and intellectual property rights of any third-party. The Product and Service Responsibility Policy highlights the guiding principles on safeguarding customer data and intellectual property of third-parties. When handling confidential information, the Group requires its employees to adhere to the policy and comply with applicable laws and regulations. To preserve confidentiality, the Group only collects and keeps information of its business partners and customers that is necessary in its business activities. Prior to data collection, informed consent from the relevant stakeholders is obtained to ensure they understand the purposes of collecting the data and how such data would be used.

B. SOCIAL – OPERATING RESPONSIBLY *(continued)*

B6: Product Responsibility *(continued)*

Protection of data privacy and intellectual property rights (continued)

For subsidiaries such as CC Group, CCHK and Maxx Coffee that hold personally identifiable information of customers, specific privacy policy and operating procedures are in place that involve the collection, use, communication and disclosure of such information. The policy is publicly available on the company website for easy access by customers and members of the public. Customers can contact the data protection officer or customer service department to make an inquiry or withdraw their consent.

To secure the data collection, the Group has implemented a range of security measures. By employing technologies and processes to control access, all data are handled by designated employees to avoid unauthorised or accidental access, handling, deletion, loss or use of such data. Security capabilities, such as monitoring system, alerting and incident response, are also employed. Important data are encrypted and regular data backup are performed.

B7: Anti-corruption and whistleblowing

Honesty, integrity and fairness have always been the Group's core values in operating its business. With that in mind, the Group is strongly against bribery, extortion, fraud and money laundering. The Group has the Anti-corruption Policy in place that sets out its expectations on the prohibition of all forms of bribery, extortion, fraud and money laundering on all its employees. The policy guides employees in circumstances such as the acceptance and offer of advantage, the dealing with conflict of interest and the handling of confidential information.

The Whistleblowing Policy is in place to encourage the reporting of suspected improprieties or non-compliance. The Group has safe and simple communication channels, such as email address and phone number, for all employees to raise concern confidentially. Whistleblowing reports can be filed for the attention of managers or head of department, the Group Internal Audit Department ("GIA"), the Chief Executive Officer of the Company or the Audit Committee of the Company, as the case may be.

The Audit Committee of the Company has the responsibility of overseeing the procedure and investigating reports received, which is administered with the support of the GIA. The Whistleblowing Policy is reviewed periodically by the head of the GIA to ensure effective monitoring and implementation.

At subsidiaries such as CC Group and CCHK, new employee for head office staff and new restaurant managerial staff will have an anti-corruption session in the induction program.

There are no relevant laws and regulations in relation to corruption that have a significant impact on the Group. During the Period, the Group did not identify any non-compliance cases with laws and regulations in relation to corruption nor was there any concluded legal case regarding corruption practices brought against it or its employees.

B. SOCIAL – CARING FOR THE COMMUNITY

B8: Community investment

As a responsible corporate citizen, the Group strives to understand and meet the needs of local communities and reducing the impacts of its operations on the neighbourhoods. Guided by the Donation Policy, the Group seeks to promote and support the development of communities in which it operates by means of philanthropic donations. The focus areas of contribution continue to include a wide array of aspects, ranging from education, culture, sickness and disability relief, poverty alleviation, disaster aid to religious pursuit. During the Period, the Group has donated a total of approximately HK$1,756,000[9] for various charity initiatives.

To fulfil its corporate social responsibility, the Group will continue its endeavour in community engagement and leverage its network and influence in community investment initiatives.

[9] The donation beyond the reporting boundary was included.

Independent Auditor's Report

EY安永

To the members of Lippo Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Lippo Limited (the "Company") and its subsidiaries (the "Group") set out on pages 86 to 206, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine months ended 31 December 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the nine months ended 31 December 2020 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of interest in a joint venture	
The carrying amount of the Group's interests in joint ventures amounted to HK$10,236 million as at 31 December 2020. The interests in joint ventures were stated at the Group's share of net assets under the equity method of accounting, less any impairment losses at the end of each reporting period. The carrying amount of the Group's interest in Lippo ASM Asia Property Limited ("LAAPL"), a material joint venture of the Group, amounted to HK$10,018 million as at 31 December 2020. LAAPL has a controlling interest in OUE Limited, a listed company in Singapore which is principally engaged in developing and managing assets across the commercial, hospitality, retail, residential and healthcare sectors. The impairment assessment of the Group's interest in LAAPL and its subsidiaries is significant to our audit due to (i) the significance of the carrying amount as at 31 December 2020; and (ii) the determination of the recoverable amount of the interest in LAAPL requires significant management's judgement and estimate. Related disclosures are included in Notes 3 and 23 to the consolidated financial statements.	We assessed management's process for identifying the objective evidence of impairment in respect of the interest in LAAPL. We evaluated and tested the assumptions and methodologies used by management in the determination of the recoverable amount. We assessed the cash flow projection of LAAPL by making reference to its historical financial performance. For the discount rate applied to the cash flow projection, we assessed the inputs used to determine the rate with reference to market data. We involved our internal valuation specialists to assist us in assessing the discount rate adopted in the cash flow projection.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessments of interests in associates	
As at 31 December 2020, the gross carrying amount of the Group's interests in associates amounted to approximately HK$1,271 million before impairment provision of approximately HK$90 million. The interests in associates were stated at the Group's share of net assets under the equity method of accounting, less any impairment losses at the end of each reporting period. The carrying amounts of the Group's interests in Healthway Medical Corporation Limited ("Healthway") and TIH Limited ("TIH"), material associates of the Group, amounted to HK$431 million and HK$275 million, respectively, as at 31 December 2020. Healthway is a listed company in Singapore which is engaged in the provision of healthcare services in Singapore. TIH is also a listed company in Singapore which is engaged in fund investment and management businesses. As at 31 December 2020, there was indication that the Group's interests in Healthway and TIH may be impaired. Accordingly, management has performed impairment assessment to determine the recoverable amounts of the interests in Healthway and TIH. The impairment assessment of interests in associates is significant to our audit due to (i) the significance of the carrying amount as at 31 December 2020; and (ii) the determination of the recoverable amount of the interests in associates requires significant management's judgement and estimate. Related disclosures are included in Notes 3 and 22 to the consolidated financial statements.	We assessed management's process for identifying the objective evidence of impairment in respect of the interests in Healthway and TIH. We evaluated and tested the assumptions and methodologies used by management in the determination of the recoverable amounts. We assessed the cash flow projections of Healthway and TIH by making reference to its historical financial performance. For the discount rates applied to the cash flow projections of Healthway and TIH, we assessed the inputs used to determine the rates with reference to market data. We involved our internal valuation specialists to assist us in assessing the discount rates adopted in the cash flow projections.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Fair value of investment properties	
As at 31 December 2020, investment properties measured at fair values amounted to approximately HK$748 million, with a corresponding net fair value loss of HK$45 million recognised in profit or loss. The valuation process is inherently subjective and dependent on a number of estimates. The Group has engaged independent professional valuers to perform the valuation of the investment properties. Related disclosures are included in Notes 3 and 20 to the consolidated financial statements.	We considered the objectivity, independence and competency of the valuers. We assessed the valuation methodologies adopted and assumptions used by the valuers, and performed market value benchmarking against comparable properties. We involved our internal valuation specialists to assist us in evaluating the methodologies adopted and the assumptions used by the valuers for the valuation of investment properties held by the Group.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The Directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Yat Kin.

Ernst & Young
Certified Public Accountants
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

30 March 2021

Consolidated Statement of Profit or Loss

For the nine months ended 31 December 2020

	Note	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000 (Restated)
Continuing operations			
Revenue	5	**573,001**	925,155
Cost of sales	8	**(243,529)**	(284,952)
Gross profit		**329,472**	640,203
Other income	6	**47,388**	22,635
Administrative expenses		**(311,781)**	(632,011)
Other operating expenses	8	**(175,383)**	(238,735)
Gain/(Loss) on disposal of subsidiaries	38	**(35,818)**	342,679
Net fair value loss on investment properties		**(45,427)**	(81,539)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	8	**132,361**	(170,721)
Other losses — net	7	**(11,224)**	(13,911)
Finance costs	11	**(51,923)**	(91,921)
Share of results of associates		**40,148**	(17,225)
Share of results of joint ventures	12	**(966,316)**	433,613
Profit/(Loss) before tax from continuing operations	8	**(1,048,503)**	193,067
Income tax	13	**(9,061)**	(2,346)
Profit/(Loss) for the period/year from continuing operations		**(1,057,564)**	190,721
Discontinued operation			
Profit/(Loss) for the period/year from discontinued operation	14	**134,599**	(7,021)
Profit/(Loss) for the period/year		**(922,965)**	183,700
Attributable to:			
Equity holders of the Company		**(675,325)**	(10,315)
Non-controlling interests		**(247,640)**	194,015
		(922,965)	183,700
		HK$	HK$ (Restated)
Loss per share attributable to equity holders of the Company	15		
Basic and diluted			
— For loss for the period/year		**(1.37)**	(0.02)
— For loss from continuing operations		**(1.57)**	(0.01)

Consolidated Statement of Comprehensive Income

For the nine months ended 31 December 2020

	Note	**Nine months ended 31 December 2020 HK$'000**	Year ended 31 March 2020 HK$'000
Profit/(Loss) for the period/year		**(922,965)**	183,700
Other comprehensive income/(loss)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**96,064**	(94,754)
Exchange differences reclassified to profit or loss upon:			
Disposal of foreign subsidiaries	38	**35,562**	11,351
Liquidation of foreign operations	7	**(3,813)**	(13,985)
Deemed disposal of an associate		**(32)**	–
Derecognition of an associate		**–**	1,511
Share of other comprehensive income/(loss) of associates		**48,938**	(39,924)
Share of other comprehensive income/(loss) of joint ventures:			
Exchange differences on translation of foreign operations		**712,071**	(502,169)
Other reserves		**(14,167)**	(50,719)
Adjustment for disposal of interests in a joint venture	14	**282**	–
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax		**874,905**	(688,689)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity instruments at fair value through other comprehensive income		**(6,762)**	(36,427)
Share of changes in fair value of equity instruments at fair value through other comprehensive income of joint ventures		**90,561**	54,920
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax		**83,799**	18,493
Other comprehensive income/(loss) for the period/year, net of tax		**958,704**	(670,196)
Total comprehensive income/(loss) for the period/year		**35,739**	(486,496)
Attributable to:			
Equity holders of the Company		**20,272**	(498,187)
Non-controlling interests		**15,467**	11,691
		35,739	(486,496)
Total comprehensive income/(loss) for the period/year attributable to equity holders of the Company:			
— From continuing operations		**(79,856)**	(492,848)
— From discontinued operation		**100,128**	(5,339)
		20,272	(498,187)

Consolidated Statement of Financial Position

As at 31 December 2020

	Note	**31 December 2020 HK$'000**	31 March 2020 HK$'000
Non-current assets			
Intangible assets	17	**21,034**	21,034
Exploration and evaluation assets	18	**1,370**	882
Fixed assets	19	**1,185,997**	1,158,151
Investment properties	20	**748,055**	763,652
Right-of-use assets	21(a)	**128,096**	133,715
Interests in associates	22	**1,181,253**	1,042,358
Interests in joint ventures	23	**10,236,373**	10,338,320
Financial assets at fair value through other comprehensive income	24	**102,993**	105,689
Financial assets at fair value through profit or loss	25	**471,676**	388,662
Debtors, prepayments and other assets	26	**10,615**	11,872
Other financial asset	27	**1,199**	46,780
Deferred tax assets	34	**4,815**	2,807
		14,093,476	14,013,922
Current assets			
Properties held for sale		**70,078**	81,512
Properties under development	28	**31,509**	30,179
Inventories	29	**15,839**	10,389
Loans and advances	30	**26,420**	74,695
Debtors, prepayments and other assets	26	**176,561**	199,869
Financial assets at fair value through profit or loss	25	**575,425**	453,307
Tax recoverable		**2,820**	474
Restricted cash	31	**55,844**	51,854
Time deposits with original maturity of more than three months		**73,034**	66,176
Cash and cash equivalents		**1,202,629**	1,175,208
		2,230,159	2,143,663
Current liabilities			
Bank and other borrowings	32	**753,031**	916,817
Lease liabilities	21(b)	**43,565**	45,680
Creditors, accruals and other liabilities	33	**326,380**	301,354
Other financial liabilities	27	**23,519**	21,606
Tax payable		**175,324**	174,359
		1,321,819	1,459,816
Net current assets		**908,340**	683,847
Total assets less current liabilities		**15,001,816**	14,697,769

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2020

	Note	**31 December 2020 HK$'000**	31 March 2020 HK$'000
Non-current liabilities			
Bank and other borrowings	32	**1,212,929**	1,022,806
Lease liabilities	21(b)	**91,967**	94,560
Creditors, accruals and other liabilities	33	**9,418**	6,453
Other financial liability	27	**1,343**	1,303
Deferred tax liabilities	34	**46,442**	44,128
		1,362,099	1,169,250
Net assets		**13,639,717**	13,528,519
Equity			
Equity attributable to equity holders of the Company			
Share capital	35	**986,598**	986,598
Reserves	36	**8,614,631**	8,521,586
		9,601,229	9,508,184
Non-controlling interests		**4,038,488**	4,020,335
		13,639,717	13,528,519

John Luen Wai Lee
Director

Stephen Riady
Director

Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2020

	Attributable to equity holders of the Company									
	Share capital	Special capital reserve *(Note 36(a))*	Fair value reserve of financial assets at FVOCI*	Other assets revaluation reserve	Hedging reserve *(Note 36(b))*	Exchange equalisation reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2020	986,598	1,709,202	(215,050)	2,092	(41,003)	(164,018)	7,230,363	9,508,184	4,020,335	13,528,519
Loss for the period	–	–	–	–	–	–	(675,325)	(675,325)	(247,640)	(922,965)
Other comprehensive income/(loss) for the period:										
Exchange differences on translation of foreign operations	–	–	–	–	–	48,720	–	48,720	47,344	96,064
Exchange differences reclassified to profit or loss upon:										
Disposal of foreign subsidiaries	–	–	–	–	–	35,562	–	35,562	–	35,562
Liquidation of foreign operations	–	–	–	–	–	(3,474)	–	(3,474)	(339)	(3,813)
Deemed disposal of an associate	–	–	–	–	–	(24)	–	(24)	(8)	(32)
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	(5,165)	–	–	–	–	(5,165)	(1,597)	(6,762)
Share of other comprehensive income of associates	–	–	–	–	–	36,699	–	36,699	12,239	48,938
Share of other comprehensive income/(loss) of joint ventures	–	–	67,353	–	(10,860)	526,577	–	583,070	205,395	788,465
Adjustment for disposal of interests in a joint venture	–	–	209	–	–	–	–	209	73	282
Total comprehensive income/(loss) for the period	–	–	62,397	–	(10,860)	644,060	(675,325)	20,272	15,467	35,739
Transfer of fair value reserve upon disposal of equity instruments at fair value through other comprehensive income	–	–	5,821	–	–	–	(5,821)	–	–	–
Share of equity movements arising on equity transactions of joint ventures	–	–	–	–	–	–	117,157	117,157	41,270	158,427
2019/2020 final dividend	–	–	–	–	–	–	(24,658)	(24,658)	–	(24,658)
2020 interim dividend	–	–	–	–	–	–	(19,726)	(19,726)	–	(19,726)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(38,584)	(38,584)
At 31 December 2020	986,598	1,709,202	(146,832)	2,092	(51,863)	480,042	6,621,990	9,601,229	4,038,488	13,639,717

* FVOCI stands for fair value through other comprehensive income.

Consolidated Statement of Changes in Equity *(continued)*

For the nine months ended 31 December 2020

	Attributable to equity holders of the Company									
	Share capital	Special capital reserve *(Note 36(a))*	Fair value reserve of financial assets at FVOCI*	Other assets revaluation reserve	Hedging reserve *(Note 36(b))*	Exchange equalisation reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2019	986,598	1,709,202	110,287	2,092	(3,644)	298,396	7,099,802	10,202,733	4,985,168	15,187,901
Profit/(Loss) for the year	–	–	–	–	–	–	(10,315)	(10,315)	194,015	183,700
Other comprehensive income/(loss) for the year:										
Exchange differences on translation of foreign operations	–	–	–	–	–	(50,513)	–	(50,513)	(44,241)	(94,754)
Exchange differences reclassified to profit or loss upon:										
Disposal of foreign subsidiaries	–	–	–	–	–	3,423	–	3,423	7,928	11,351
Liquidation of foreign operations	–	–	–	–	–	(15,164)	–	(15,164)	1,179	(13,985)
Derecognition of an associate	–	–	–	–	–	1,133	–	1,133	378	1,511
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	(28,565)	–	–	–	–	(28,565)	(7,862)	(36,427)
Share of other comprehensive loss of associates	–	–	–	–	–	(29,939)	–	(29,939)	(9,985)	(39,924)
Share of other comprehensive income/(loss) of joint ventures	–	–	40,466	–	(37,359)	(371,354)	–	(368,247)	(129,721)	(497,968)
Total comprehensive income/(loss) for the year	–	–	11,901	–	(37,359)	(462,414)	(10,315)	(498,187)	11,691	(486,496)
Transfer of fair value reserve upon disposal of equity instruments at fair value through other comprehensive income	–	–	10,004	–	–	–	(10,004)	–	–	–
Disposal of subsidiaries *(Note 38)*	–	–	–	–	–	–	–	–	(1,117)	(1,117)
Change in non-controlling interests without change in control	–	–	–	–	–	–	7	7	(127)	(120)
Share of equity movements arising on equity transactions of joint ventures	–	–	–	–	–	–	(151,985)	(151,985)	(53,538)	(205,523)
Transfer of reserve of a joint venture	–	–	(347,242)	–	–	–	347,242	–	–	–
2018/2019 final dividend	–	–	–	–	–	–	(24,658)	(24,658)	–	(24,658)
2019/2020 interim dividend	–	–	–	–	–	–	(19,726)	(19,726)	–	(19,726)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(944,498)	(944,498)
Advance from a non-controlling shareholder of a subsidiary	–	–	–	–	–	–	–	–	22,756	22,756
At 31 March 2020	986,598	1,709,202	(215,050)	2,092	(41,003)	(164,018)	7,230,363	9,508,184	4,020,335	13,528,519

Consolidated Statement of Cash Flows

For the nine months ended 31 December 2020

	Note	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Cash flows from operating activities			
Cash used in operations	39(a)	**(75,077)**	(220,641)
Interest received		**5,320**	21,097
Dividends received from:			
An associate		**5,431**	5,497
A joint venture		**–**	1,418
Investments		**16,004**	17,221
Taxes paid:			
Hong Kong		**(4,129)**	(1,640)
Mainland China and overseas		**(13,992)**	(19,430)
Net cash flows used in operating activities		**(66,443)**	(196,478)
Cash flows from investing activities			
Distribution from financial assets at fair value through profit or loss		**17,370**	27,563
Proceeds from disposal of:			
Fixed assets		**1,674**	1,106
An investment property		**–**	55,730
Interests in a joint venture		**311,473**	–
Financial assets at fair value through other comprehensive income		**–**	217,052
Financial assets at fair value through profit or loss		**–**	41,940
Payments to acquire:			
Fixed assets		**(50,783)**	(154,540)
Exploration and evaluation assets		**(396)**	(317)
Associates		**(27,221)**	(9,529)
Financial assets at fair value through other comprehensive income		**(3,688)**	(2,790)
Financial assets at fair value through profit or loss		**(32,059)**	(76,655)
Advances to associates		**(44)**	(42)
Advances to joint ventures		**(267,646)**	(32,193)
Repayment from joint ventures		**265,754**	6,343
Disposal of subsidiaries	38	**(270)**	444,384
Recovery of loans and advances		**–**	4,618
Increase in time deposits with original maturity of more than three months		**(1,192)**	(1,077)
Net cash flows from investing activities		**212,972**	521,593

Consolidated Statement of Cash Flows *(continued)*

For the nine months ended 31 December 2020

	Note	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Cash flows from financing activities			
Drawdown of bank and other borrowings		**949,553**	536,439
Repayment of bank and other borrowings		**(958,913)**	(1,300,673)
Principal portion of lease payments		**(37,587)**	(129,533)
Finance costs paid		**(46,929)**	(87,092)
Acquisition of non-controlling interests		**–**	(120)
Dividends paid to shareholders of the Company		**(24,658)**	(44,384)
Dividends paid to non-controlling shareholders of subsidiaries		**(28,783)**	(944,498)
Advance from a non-controlling shareholder of a subsidiary		**–**	22,756
Increase in restricted cash		**(57)**	(950)
Net cash flows used in financing activities		**(147,374)**	(1,948,055)
Net decrease in cash and cash equivalents		**(845)**	(1,622,940)
Cash and cash equivalents at beginning of period/year		**1,175,208**	2,830,780
Exchange realignments		**26,067**	(32,632)
Cash and cash equivalents at end of period/year		**1,200,430**	1,175,208
Analysis of balances of cash and cash equivalents			
Cash and bank balances		**1,202,629**	1,175,208
Bank overdraft	32	**(2,199)**	–
Cash and cash equivalents as stated in the statement of cash flows		**1,200,430**	1,175,208

Notes to the Financial Statements

1. CORPORATE AND GROUP INFORMATION

Lippo Limited is a limited liability company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China. The registered office of the Company is located at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.

The principal activity of the Company is investment holding. Its subsidiaries, associates, joint ventures and joint operation are principally engaged in investment holding, property investment, property development, food businesses, healthcare services, hotel operation, property management, project management, mineral exploration and extraction, fund management, investment management, securities investment, treasury investment and money lending.

The immediate holding company of the Company is Lippo Capital Limited, a company incorporated in the Cayman Islands. In the opinion of the Directors, the ultimate holding company of the Company is Lippo Capital Group Limited, a company incorporated in Hong Kong.

Details of the principal subsidiaries are set out on pages 193 to 202.

2.1 BASIS OF PREPARATION

Change of financial year end date

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

Statement of compliance

These financial statements have 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 ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the period from 1 April 2020 to 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All significant intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

Other than as explained below regarding the impact of Amendment to HKFRS 16, the application of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs has had no significant financial effect on these financial statements.

Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted.

During the nine months ended 31 December 2020, certain monthly lease payments for the leases of the Group's leased properties have been reduced by the lessors as a result of the COVID-19 pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 April 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the COVID-19 pandemic during the nine months ended 31 December 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of HK$8,299,000 has been accounted for as variable lease payments by derecognising part of the lease liabilities and crediting to profit or loss for the nine months ended 31 December 2020.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements:

Amendments to HKFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform — Phase 2*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 17	*Insurance Contracts*[3]
Amendments to HKFRS 17	*Insurance Contracts*[3, 6]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[3, 5]
Amendments to HKAS 16	*Property, Plant and Equipment — Proceeds before Intended Use*[2]
Amendments to HKAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*[2]
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41[2]

1 Effective for annual periods beginning on or after 1 January 2021

2 Effective for annual periods beginning on or after 1 January 2022

3 Effective for annual periods beginning on or after 1 January 2023

4 No mandatory effective date yet determined but available for adoption

5 As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

6 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 are intended to 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* 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 expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information.

The Group had certain interest-bearing bank and other borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate and Singapore Swap Offer Rate as at 31 December 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the "economically equivalent" criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

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, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Interests in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's interests in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's interests in associates or joint ventures.

If an interest in an associate becomes an interest in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

(i) its assets, including its share of any assets held jointly;

(ii) its liabilities, including its share of any liabilities incurred jointly;

(iii) its revenue from the sale of its share of the output arising from the joint operation;

(iv) its share of the revenue from the sale of the output by the joint operation; and

(v) its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

(c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Business combinations and goodwill *(continued)*

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU"), or groups of CGU, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGU) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGU) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a CGU (or group of CGU) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the CGU retained.

(d) Fair value measurement

The Group measures its investment properties and certain financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Fair value measurement *(continued)*

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(e) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets, contract assets, deferred tax assets, inventories, investment properties, properties under development, properties held for sale and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or CGU's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Impairment of non-financial assets *(continued)*

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

(f) Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Fixed assets and depreciation

Fixed assets, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of fixed assets is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of fixed assets comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of fixed assets are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of fixed assets to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Buildings and leasehold improvements	Over the unexpired terms of the leases or $2\frac{1}{2}$% to $33\frac{1}{3}$%, whichever is shorter
Furniture, fixtures, plant and equipment	$6\frac{2}{3}$% to 100%
Motor vehicles	10% to 25%
Yacht	10%

Where parts of an item of fixed assets have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of fixed assets including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is not depreciated as the asset is not available for use. Construction in progress is reclassified to the appropriate category of fixed assets when completed and ready for use.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period. When fair value is not reliably determinable for a property under development, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably determinable.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of investment properties are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Fixed assets and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is dealt with as movements in the other assets revaluation reserve. On disposal of the asset, the relevant portion of the other assets revaluation reserve realised in respect of previous valuations is transferred to the retained profits as a movement in reserves.

(i) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets relating to unpatented technology and customer relationships which acquired in a business combination have finite useful lives and are measured at cost less accumulated amortisation and impairment losses. These intangible assets are amortised in the statement of profit or loss on a straight-line basis over their estimated useful lives as follows:

Unpatented technology	10%
Customer relationships	10%

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Intangible assets (other than goodwill) *(continued)*

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(j) Exploration and evaluation assets

The Group, through its interests in joint arrangements, has investments in mineral properties, which are in the exploration stage. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognised and capitalised on a property by property basis. Such costs include, but are not exclusive to, costs of geological and geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted had no impairment been recognised.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain financing to complete the development of the properties, and on future production or proceeds of disposition.

The Group recognises in the statement of profit or loss costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

All capitalised exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the statement of profit or loss. Exploration areas where reserves have been discovered but require major capital expenditure before production can begin are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease components, the Group adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

(i) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land and buildings	1 to 11 years
Plant and equipment	5 years
Motor vehicles	2 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as properties held for sale, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "Properties held for sale". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "Investment properties".

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leases (continued)

Group as a lessee (continued)

(ii) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property and other equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Leases *(continued)*

Group as a lessor (continued)

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

(l) Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at FVPL.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(l) Investments and other financial assets *(continued)*

Subsequent measurement (continued)

Financial assets at FVOCI (debt instruments)

For debt investments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at FVOCI (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as revenue in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at FVPL

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on equity investments classified as financial assets at FVPL are also recognised as revenue in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(m) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

(i) the rights to receive cash flows from the asset have expired; or

(ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Derecognition of financial assets *(continued)*

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(n) Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For debt investments at FVOCI, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Impairment of financial assets *(continued)*

General approach (continued)

Debt investments at FVOCI and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

(o) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include financial liabilities included in creditors, accruals and other liabilities, bank and other borrowings and derivative financial instruments.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) Financial liabilities *(continued)*

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at FVPL are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at FVPL are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

(p) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(r) Derivative financial instruments

Initial recognition and subsequent measurement

When appropriate, the Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows). Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond twelve months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.

(s) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value which is determined by reference to prevailing market prices, on an individual property basis.

(t) Properties under development

Properties under development intended for sale are classified as current assets and stated at the lower of cost and net realisable value. Properties being constructed or developed as investment properties are classified as investment properties and accounted for in accordance with the policy stated under "Investment properties". Other properties under development are stated at cost less any impairment losses. Costs comprise the cost of land, development expenditure, other attributable costs and borrowing costs capitalised. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

(u) Inventories

Inventories are stated at the lower of cost and net realisable value. In relation to food manufacturing business, cost is determined on the weighted-average basis and, in the case of work in progress and finished goods, comprises direct materials, labour and production overheads based on the level of normal activity. In relation to food retailing and the management of restaurants, cost is determined on the first-in, first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

(w) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above; and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

(x) Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of taxable temporary differences associated with interests in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(x) Income tax *(continued)*

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

(i) when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of deductible temporary differences associated with interests in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(y) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(z) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(i) Sale of goods and fast-moving consumer products

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with retrospective promotional rebates and trading term rebates based on the aggregate sales over a period of time.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated promotional rebates and trading term rebates and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction price only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises the expected promotional rebates and trading term rebates payable to customers where considerations have been received from the customers and refunds due to expected returns from the customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the goods less expected costs to recover the goods, and adjust them against cost of sales correspondingly.

At the end of each reporting period, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(z) Revenue recognition *(continued)*

Revenue from contracts with customers (continued)

(i) Sale of goods and fast-moving consumer products *(continued)*

The Group has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is one year or less.

(ii) Sale of food and beverage

Revenue from the sale of food and beverage is recognised upon the delivery to and acceptance by customers, net of discounts.

(iii) Sale of properties

Revenue from the sale of properties is recognised at the point in time when control of the properties is transferred to the customers. Deposits received from purchasers prior to revenue recognition are accounted for as deposits received.

(iv) Provision of management services

Revenue from the provision of management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(aa) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

(ab) Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(ac) Contract costs

Other than the costs which are capitalised as inventories, exploration and evaluation assets, fixed assets and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(i) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(ii) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(iii) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

(ad) Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

(ae) Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(af) Employee benefits

Paid leave entitlement

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of each reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward at the end of each reporting period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(af) Employee benefits (continued)

Retirement benefits

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In Hong Kong, the Group operates defined contribution Mandatory Provident Fund retirement benefit schemes (the "MPF Schemes") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Schemes. Contributions are made based on a percentage of the employees' relevant income and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Schemes. The assets of the MPF Schemes are held separately from those of the Group in independently administered funds. The Group's employer contributions vest fully with the employees when contributed into the MPF Schemes except for the Group's employer voluntary contributions forfeited when the employees leave employment prior to fully vesting in such contributions, which can be used to reduce the amount of future employer contributions or to offset against future administration expenses or to refund to the Group, in accordance with the rules of the MPF Schemes.

The employees of the Group's subsidiaries which operate in mainland China are required to participate in a central pension scheme operated by the local municipal government. Contributions are made to the central pension scheme based on a percentage of the employees' relevant income and are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Singapore companies in the Group make contributions to the Central Provident Fund Scheme ("CPF") in Singapore, a defined contribution pension scheme. Contributions to the CPF are recognised as an expense in the statement of profit or loss in the period in which the related service is performed.

(ag) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(ah) Dividends and distributions

Final dividends and distributions are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends and distributions are simultaneously proposed and declared because the Company's memorandum and articles of association grant the Directors the authority to declare interim dividends and distributions. Consequently, interim dividends and distributions are recognised immediately as a liability when they are proposed and declared.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(ai) Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange equalisation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Property lease classification — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The Group includes the renewal period as part of the lease term for certain leases due to the significance of these assets to its operations.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. The Group may provide ancillary services to the occupants of properties it holds. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property. The property is an investment property only if the ancillary services are insignificant to the arrangement as a whole.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(b) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(i) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(ii) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and

(iii) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties as at 31 December 2020 was HK$748,055,000 (31 March 2020 — HK$763,652,000). Further details are disclosed in Note 20 to the financial statements.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amount of the CGU to which goodwill has been allocated to is determined based on value-in-use calculations. The key assumptions applied in the determination of the value in use are disclosed and further explained in Note 17 to the financial statements. The carrying amount of intangible assets as at 31 December 2020 was HK$21,034,000 (31 March 2020 — HK$21,034,000).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(b) Estimation uncertainty *(continued)*

Impairment of interests in associates and joint ventures

After applying the equity method, the Group assesses whether there is any objective evidence of impairment for the interests in associates and joint ventures. The interests in associates and interests in joint ventures are tested for impairment when there is objective evidence of impairment. The carrying amount of interests in associates as at 31 December 2020 was HK$1,181,253,000 (31 March 2020 — HK$1,042,358,000). Further details are disclosed in Note 22 to the financial statements. The carrying amount of interests in joint ventures as at 31 December 2020 was HK$10,236,373,000 (31 March 2020 — HK$10,338,320,000). Further details are disclosed in Note 23 to the financial statements.

Fair value of unlisted equity investments

When the fair values of financial assets recorded in the statement of financial position cannot be derived from active markets, their fair values are determined using valuation techniques including the use of comparable recent arm's length transactions and other valuation techniques commonly used by other market participants. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as the implied equity value, volatility and discount rate. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The Group classifies the fair value of these investments as Level 3. Further details are included in Note 44 to the financial statements.

Provision for expected credit losses on trade debtors

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade debtors is disclosed in Note 26 to the financial statements.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has reportable operating segments as follows:

(a) the property investment segment includes investments relating to the letting and resale of properties;

(b) the property development segment includes the development and sale of properties;

(c) the treasury investment segment includes investments in money markets;

(d) the securities investment segment includes investments in securities that are held for trading and for long-term strategic purposes;

(e) the food businesses segment mainly includes food manufacturing and retailing, the management of restaurants and food court operations;

(f) the healthcare services segment includes the provision of healthcare management services; and

(g) the "other" segment comprises principally mineral exploration and extraction, money lending, the provision of property, project, fund and investment management services and investment in a closed-end fund.

The banking business segment which engages in the provision of commercial and retail banking services was classified as discontinued operation during the nine months ended 31 December 2020 (Note 14).

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.

4. SEGMENT INFORMATION *(continued)*

Nine months ended 31 December 2020

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

4. SEGMENT INFORMATION *(continued)*

Year ended 31 March 2020 (restated)

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

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

4. SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

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

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

(b) Non-current assets

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

The non-current assets information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Revenue of approximately HK$90,271,000 for the nine months ended 31 December 2020 (year ended 31 March 2020 — HK$118,793,000) was derived from sales by the food businesses segment to a single customer.

5. REVENUE

An analysis of revenue from continuing operations is as follows:

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

5. REVENUE *(continued)*

Revenue from contracts with customers

(a) Disaggregated revenue information

Segments	Property development HK$'000	Food businesses HK$'000	Other HK$'000	Total HK$'000
Nine months ended 31 December 2020				
Types of goods or services:				
Sale of properties	**29,221**	**–**	**–**	**29,221**
Sale of goods and fast-moving consumer products	**–**	**244,657**	**–**	**244,657**
Sale of food and beverage	**–**	**196,236**	**–**	**196,236**
Provision of management services	**–**	**–**	**10,923**	**10,923**
Total revenue from contracts with customers	**29,221**	**440,893**	**10,923**	**481,037**
Geographical markets:				
Hong Kong	**–**	**132,510**	**7,705**	**140,215**
Mainland China	**29,221**	**–**	**1,576**	**30,797**
Republic of Singapore	**–**	**308,383**	**1,642**	**310,025**
Total revenue from contracts with customers	**29,221**	**440,893**	**10,923**	**481,037**
Timing of revenue recognition:				
Goods transferred at a point in time	**29,221**	**440,893**	**–**	**470,114**
Services transferred over time	**–**	**–**	**10,923**	**10,923**
Total revenue from contracts with customers	**29,221**	**440,893**	**10,923**	**481,037**
Year ended 31 March 2020				
Types of goods or services:				
Sale of goods and fast-moving consumer products	–	307,446	–	307,446
Sale of food and beverage	–	371,342	–	371,342
Provision of management services	–	–	14,336	14,336
Total revenue from contracts with customers	–	678,788	14,336	693,124
Geographical markets:				
Hong Kong	–	217,022	11,091	228,113
Mainland China	–	–	2,135	2,135
Republic of Singapore	–	459,058	1,110	460,168
Malaysia	–	2,708	–	2,708
Total revenue from contracts with customers	–	678,788	14,336	693,124
Timing of revenue recognition:				
Goods transferred at a point in time	–	678,788	–	678,788
Services transferred over time	–	–	14,336	14,336
Total revenue from contracts with customers	–	678,788	14,336	693,124

5. REVENUE (continued)

Revenue from contracts with customers (continued)

(a) Disaggregated revenue information (continued)

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

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

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

(i) Sale of goods and fast-moving consumer products

Revenue from the sale of goods and fast-moving consumer products is recognised at a point in time when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with volume discounts based on the aggregate sales over a period of time. Trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, a credit period of 30 to 90 days is allowed according to relevant business practice. No provision for right of returns was made as the impact was insignificant.

(ii) Sale of food and beverage

Revenue from the sale of food and beverage is recognised at a point in time when the food and beverage are delivered to the customer, net of discounts. The payment of the transaction price is due immediately at the point when the customer purchases the goods.

(iii) Sale of properties

Revenue from the sale of properties is recognised at a point in time when control of the properties is transferred to the customers. Deposits received from purchasers prior to revenue recognition are accounted for as deposits received.

5. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

(b) Performance obligations *(continued)*

(iv) Provision of management services

The performance obligation is satisfied over time as services are rendered. Accordingly, the service fee income is recognised as the service is performed over time.

6. OTHER INCOME

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

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.

7. OTHER LOSSES — NET

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

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

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

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Cost of sales:		
Cost of properties sold	**(15,885)**	–
Cost of inventories sold	**(224,476)**	(281,325)
Other	**(3,168)**	(3,627)
	(243,529)	(284,952)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Financial assets at fair value through profit or loss held for trading:		
Equity securities	**80,724**	(154,098)
Investment funds	**(11,714)**	505
Other financial assets mandatorily classified at fair value through profit or loss:		
Debt securities	**(410)**	(1,956)
Investment funds	**62,909**	(5,181)
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	**(864)**	1,850
Derivative financial instruments	**1,716**	(11,841)
	132,361	(170,721)
Employee benefit expense *(Note (a))*:		
Wages and salaries	**(232,174)**	(389,168)
Retirement benefit costs *(Note (b))*	**(13,517)**	(24,026)
Total staff costs	**(245,691)**	(413,194)
Interest income:		
Loans and advances	**49,915**	70,498
Promissory note	**606**	816
Other	**2,646**	12,725
Depreciation of fixed assets	**(45,038)**	(72,316)
Depreciation of right-of-use assets	**(42,892)**	(132,463)
Auditors' remuneration	**(9,115)**	(13,083)
Lease payments not included in the measurement of lease liabilities *(Note 21(c))*	**(10,034)**	(28,261)
Direct operating expenses arising on rental-earning investment properties	**(3,168)**	(3,627)
Selling and distribution expenses *(Note (c))*	**(22,662)**	(17,789)
Legal and professional fees *(Note (c))*	**(23,499)**	(46,775)
Consultancy and service fees *(Note (c))*	**(59,314)**	(71,064)
Utilities charges *(Note (c))*	**(8,322)**	(27,718)
Repairs and maintenance expenses *(Note (c))*	**(7,240)**	(24,418)

Note:

(a) The amounts include Directors' emoluments disclosed in Note 9 to the financial statements.

(b) The Group had no forfeited voluntary contributions available to offset future employer contributions against the pension schemes at the period/year end.

(c) The amounts are included in "Other operating expenses" in the consolidated statement of profit or loss.

9. DIRECTORS' EMOLUMENTS

Directors' emoluments for the period/year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Directors' fees	**5,128**	6,831
Basic salaries, allowances and benefits in kind	**6,648**	9,513
Discretionary bonuses paid and payable	**7,000**	42,000
Retirement benefit costs	**101**	143
	18,877	58,487

The emoluments paid to each of the Directors during the nine months ended 31 December 2020 are as follows:

Nine months ended 31 December 2020	Directors' fees HK$'000	Basic salaries, allowances and benefits in kind HK$'000	Discretionary bonuses paid and payable HK$'000	Retirement benefit costs HK$'000	Total HK$'000
Executive directors:					
Stephen Riady	555	5,559	5,000	73	11,187
John Luen Wai Lee	555	1,089	2,000	28	3,672
	1,110	6,648	7,000	101	14,859
Non-executive directors:					
Leon Nim Leung Chan	909	–	–	–	909
Jark Pui Lee	185	–	–	–	185
	1,094	–	–	–	1,094
Independent non-executive directors:					
Edwin Neo	909	–	–	–	909
King Fai Tsui	1,062	–	–	–	1,062
Victor Ha Kuk Yung	953	–	–	–	953
	2,924	–	–	–	2,924
	5,128	6,648	7,000	101	18,877

9. DIRECTORS' EMOLUMENTS *(continued)*

The emoluments paid to each of the Directors during the year ended 31 March 2020 are as follows:

Year ended 31 March 2020	Directors' fees HK$'000	Basic salaries, allowances and benefits in kind HK$'000	Discretionary bonuses paid and payable HK$'000	Retirement benefit costs HK$'000	Total HK$'000
Executive directors:					
Stephen Riady	738	8,096	30,000	107	38,941
John Luen Wai Lee	738	1,417	12,000	36	14,191
	1,476	9,513	42,000	143	53,132
Non-executive directors:					
Leon Nim Leung Chan	1,212	–	–	–	1,212
Jark Pui Lee	246	–	–	–	246
	1,458	–	–	–	1,458
Independent non-executive directors:					
Edwin Neo	1,212	–	–	–	1,212
King Fai Tsui	1,415	–	–	–	1,415
Victor Ha Kuk Yung	1,270	–	–	–	1,270
	3,897	–	–	–	3,897
	6,831	9,513	42,000	143	58,487

There were no arrangements under which a Director waived or agreed to waive any emoluments during the period/year.

No share options were granted to the Directors during the period/year.

10. FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

The five highest paid employees during the nine months ended 31 December 2020 included two (year ended 31 March 2020 — two) Directors, details of whose emoluments are set out in Note 9 to the financial statements. Details of the emoluments of the remaining three (year ended 31 March 2020 — three) non-director, highest paid employees for the period/year are as follows:

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Basic salaries, allowances and benefits in kind	**6,623**	7,832
Discretionary bonuses paid and payable	**1,964**	18,500
Retirement benefit costs	**94**	99
	8,681	26,431

The number of non-director, highest paid employees whose emoluments fell within the following bands is as follows:

Emoluments bands (HK$):	**Nine months ended 31 December 2020 Number of employees**	Year ended 31 March 2020 Number of employees
2,000,001 — 2,500,000	**1**	–
3,000,001 — 3,500,000	**1**	–
3,500,001 — 4,000,000	**1**	–
4,500,001 — 5,000,000	**–**	1
8,000,001 — 8,500,000	**–**	1
13,000,001 — 13,500,000	**–**	1
	3	3

11. FINANCE COSTS

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Interest on bank and other borrowings	**48,827**	76,155
Interest on lease liabilities	**3,096**	15,766
Total interest	**51,923**	91,921

12. SHARE OF RESULTS OF JOINT VENTURES

Share of results of joint ventures for the nine months ended 31 December 2020 mainly included share of loss in Lippo ASM Asia Property Limited ("LAAPL") of HK$957,501,000 (year ended 31 March 2020 — share of profit of HK$439,522,000). The share of loss for the nine months ended 31 December 2020 was mainly attributable to net fair value losses on investment properties and impairment losses on fixed assets. LAAPL is a material joint venture of the Group, further details of which are given in Note 23 to the financial statements.

13. INCOME TAX

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Hong Kong:		
Charge for the period/year	**2,165**	4,275
Underprovision/(Overprovision) in prior years	**(169)**	436
Deferred *(Note 34)*	**(229)**	(652)
	1,767	4,059
Mainland China and overseas:		
Charge for the period/year	**11,628**	14,386
Overprovision in prior years	**(580)**	(13,161)
Deferred *(Note 34)*	**(3,754)**	(2,938)
	7,294	(1,713)
Total charge for the period/year from continuing operations	**9,061**	2,346

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (year ended 31 March 2020 — 8.25% or 16.5%), as appropriate. For the companies operating in mainland China and the Republic of Singapore, corporate taxes have been calculated on the estimated assessable profits for the period/year at the rates of 25% and 17% (year ended 31 March 2020 — 25% and 17%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

13. INCOME TAX *(continued)*

A reconciliation of the tax charge/(credit) applicable to profit/(loss) before tax at the statutory rates for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax charge at the effective tax rate is as follows:

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000 (Restated)
Profit/(Loss) before tax from continuing operations	**(1,048,503)**	193,067
Profit/(Loss) before tax from discontinued operation	**134,599**	(7,021)
	(913,904)	186,046
Tax at the statutory tax rate of 16.5% (year ended 31 March 2020 — 16.5%)	**(150,794)**	30,698
Effect of different tax rates in other jurisdictions	**(5,346)**	2,943
Adjustments in respect of current tax of previous years	**(749)**	(12,725)
Losses/(Profits) attributable to joint ventures and associates	**152,864**	(67,927)
Income not subject to tax	**(58,517)**	(71,499)
Expenses not deductible for tax	**51,445**	81,889
Effect of partial tax exemption and tax relief	**(338)**	(569)
Effect of withholding tax on the distributable profits of the Group's subsidiary in mainland China	**491**	(420)
Benefits from tax losses/temporary differences previously unrecognised	**(4,570)**	(8,599)
Tax losses/temporary differences not recognised	**19,501**	48,555
Land appreciation tax	**6,765**	–
Tax effect of land appreciation tax	**(1,691)**	–
Tax charge from continuing operations at the Group's effective rate	**9,061**	2,346

14. DISCONTINUED OPERATION

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

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

	Note	**Nine months ended 31 December 2020 HK$'000**	Year ended 31 March 2020 HK$'000
Fair value loss on financial instrument at fair value through profit or loss	27	**(46,780)**	(2,307)
Share of results of a joint venture		**(284)**	(4,714)
Loss before tax		**(47,064)**	(7,021)
Income tax		**–**	–
Loss after tax from discontinued operation		**(47,064)**	(7,021)
Gain on disposal of discontinued operation		**181,663**	–
Profit/(Loss) for the period/year from discontinued operation		**134,599**	(7,021)
Other comprehensive income			
Share of fair value reserve of financial assets at fair value through other comprehensive income of a joint venture		**519**	(199)
Release of cumulative fair value reserve of financial assets at fair value through other comprehensive income from discontinued operation upon disposal		**282**	–
Other comprehensive income/(loss) from discontinued operation		**801**	(199)
Total comprehensive income/(loss) for the period/year from discontinued operation		**135,400**	(7,220)
Profit/(Loss) for the period/year attributable to:			
Equity holders of the Company		**99,536**	(5,192)
Non-controlling interests		**35,063**	(1,829)
		134,599	(7,021)
Total comprehensive income/(loss) for the period/year attributable to:			
Equity holders of the Company		**100,128**	(5,339)
Non-controlling interests		**35,272**	(1,881)
		135,400	(7,220)
		HK$	HK$
Earnings/(Loss) per share attributable to equity holders of the Company	15		
Basic and diluted			
— For profit/(loss) from discontinued operation		**0.20**	(0.01)

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

(a) Basic earnings/(loss) per share

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

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

(b) Diluted earnings/(loss) per share

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

16. DIVIDENDS

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

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

17. INTANGIBLE ASSETS

	Goodwill HK$'000	Trademarks and trademark licence agreement HK$'000	Other intangible assets HK$'000	Total HK$'000
Nine months ended 31 December 2020				
Cost:				
At 1 April 2020	**225,029**	**177,124**	**77,647**	**479,800**
Exchange adjustments	**9,414**	**13,433**	**5,889**	**28,736**
At 31 December 2020	**234,443**	**190,557**	**83,536**	**508,536**
Accumulated amortisation and impairment losses:				
At 1 April 2020	**203,995**	**177,124**	**77,647**	**458,766**
Exchange adjustments	**9,414**	**13,433**	**5,889**	**28,736**
At 31 December 2020	**213,409**	**190,557**	**83,536**	**487,502**
Net carrying amount:				
At 31 December 2020	**21,034**	**–**	**–**	**21,034**
Year ended 31 March 2020				
Cost:				
At 1 April 2019	328,081	307,655	168,194	803,930
Disposal of subsidiaries *(Note 38)*	(93,887)	(117,598)	(84,348)	(295,833)
Exchange adjustments	(9,165)	(12,933)	(6,199)	(28,297)
At 31 March 2020	225,029	177,124	77,647	479,800
Accumulated amortisation and impairment losses:				
At 1 April 2019	242,951	211,193	168,194	622,338
Disposal of subsidiaries *(Note 38)*	(30,726)	(22,668)	(84,348)	(137,742)
Exchange adjustments	(8,230)	(11,401)	(6,199)	(25,830)
At 31 March 2020	203,995	177,124	77,647	458,766
Net carrying amount:				
At 31 March 2020	21,034	–	–	21,034

Trademarks related to the "Food Junction" trademarks and were disposed of during the year ended 31 March 2020.

Trademark licence agreement relates to the right to use the "Delifrance" trademark granted under a licence agreement. The value of the trademark licence agreement was fully impaired in prior years.

Other intangible assets include unpatented technology and customer relationships.

17. INTANGIBLE ASSETS *(continued)*

Unpatented technology relates to Delifrance's Modified Sous Vide Process for the Group's food retail business, which allows for the preparation of food to reduce wastage significantly, increases the shelf life of the food items, and reduces the time required to reheat food significantly. The value of the unpatented technology was fully impaired in prior years.

Customer relationships related to tenancy agreements between the stallholders and the food court operators in the food court business and were disposed of during the year ended 31 March 2020.

Impairment testing of goodwill

The carrying amount of goodwill acquired through business combinations allocated to the food businesses is as follows:

	Goodwill HK$'000	Compounded revenue growth rate %	Long-term growth rate %	Pre-tax discount rate per annum %
At 31 December 2020				
All Around Limited	**21,034**	**25.3**	**1.0**	**5.7**
At 31 March 2020				
All Around Limited	21,034	4.6	1.0	7.0

The recoverable amounts have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a period of five years (31 March 2020 — five years). Management has considered and determined the factors applied in these financial budgets which include budgeted gross margins and the target growth rates.

Key assumptions used in the value-in-use calculations

Pre-tax discount rate — The discount rate represents the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital.

Compounded revenue growth rate — The compounded revenue growth rate is the rate which revenue grows over a period of five years, taking into account the effect of annual compounding. Management determines the growth rate based on past performance and its expectations for market development. The forecast is based on management's past experience and does not exceed the long-term average growth rate for the industries relevant to the CGUs.

Budgeted gross margin — The gross margin is based on average values achieved in the three years preceding the start of the budget period. It is increased over the budget period for anticipated efficiency improvements.

17. INTANGIBLE ASSETS *(continued)*

Impairment testing of goodwill *(continued)*

Impairment loss recognised

For the nine months ended 31 December 2020 and year ended 31 March 2020, impairment assessment review had been performed for the goodwill acquired in All Around Limited and it was assessed that there was no impairment as the recoverable amount was in excess of the carrying value. No impairment loss was charged to the consolidated statement of profit or loss during the nine months ended 31 December 2020 (year ended 31 March 2020 — Nil) based on the impairment assessment review.

Sensitivity to changes in assumptions

For the nine months ended 31 December 2020 and year ended 31 March 2020, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the business units to materially exceed their recoverable amounts.

18. EXPLORATION AND EVALUATION ASSETS

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Cost:		
Balance at beginning of period/year	**75,033**	79,711
Additions during the period/year	**396**	317
Exchange adjustments	**7,905**	(4,995)
Balance at end of period/year	**83,334**	75,033
Accumulated impairment losses:		
Balance at beginning of period/year	**74,151**	79,109
Exchange adjustments	**7,813**	(4,958)
Balance at end of period/year	**81,964**	74,151
Net carrying amount	**1,370**	882

19. FIXED ASSETS

	Land and buildings HK$'000	Leasehold improvements, furniture, fixtures, plant and equipment and motor vehicles HK$'000	Yacht HK$'000	Construction in progress HK$'000	Total HK$'000
Nine months ended 31 December 2020					
At 1 April 2020					
Cost or valuation	1,072,167	580,312	50,561	507	1,703,547
Accumulated depreciation and impairment losses	(181,994)	(335,148)	(28,254)	–	(545,396)
Net carrying amount	890,173	245,164	22,307	507	1,158,151
At 1 April 2020, net of accumulated depreciation and impairment losses	890,173	245,164	22,307	507	1,158,151
Additions during the period *(Note)*	991	45,435	–	18,824	65,250
Disposals during the period	–	(3,048)	–	–	(3,048)
Depreciation provided during the period	(16,858)	(24,265)	(3,915)	–	(45,038)
Impairment provided during the period	(12,238)	–	–	–	(12,238)
Exchange adjustments	10,303	12,424	1,528	(1,335)	22,920
At 31 December 2020, net of accumulated depreciation and impairment losses	872,371	275,710	19,920	17,996	1,185,997
At 31 December 2020					
Cost or valuation	1,087,898	637,358	54,396	17,996	1,797,648
Accumulated depreciation and impairment losses	(215,527)	(361,648)	(34,476)	–	(611,651)
Net carrying amount	872,371	275,710	19,920	17,996	1,185,997

19. FIXED ASSETS *(continued)*

	Land and buildings HK$'000	Leasehold improvements, furniture, fixtures, plant and equipment and motor vehicles HK$'000	Yacht HK$'000	Construction in progress HK$'000	Total HK$'000
Year ended 31 March 2020					
At 1 April 2019					
Cost or valuation	985,507	704,420	53,711	58,691	1,802,329
Accumulated depreciation and impairment losses	(143,795)	(542,596)	(24,642)	(301)	(711,334)
Net carrying amount	841,712	161,824	29,069	58,390	1,090,995
At 1 April 2019, net of accumulated depreciation and impairment losses	841,712	161,824	29,069	58,390	1,090,995
Additions during the year *(Note)*	1,439	45,851	–	191,819	239,109
Reclassification	91,911	155,070	–	(246,981)	–
Disposals during the year	–	(5,664)	–	(85)	(5,749)
Disposal of subsidiaries *(Note 38)*	–	(66,597)	–	–	(66,597)
Depreciation provided during the year	(21,524)	(45,506)	(5,286)	–	(72,316)
Impairment written back/(provided) during the year	(20,192)	3,265	–	–	(16,927)
Write-off during the year	–	(2,621)	–	(6)	(2,627)
Exchange adjustments	(3,173)	(458)	(1,476)	(2,630)	(7,737)
At 31 March 2020, net of accumulated depreciation and impairment losses	890,173	245,164	22,307	507	1,158,151
At 31 March 2020					
Cost or valuation	1,072,167	580,312	50,561	507	1,703,547
Accumulated depreciation and impairment losses	(181,994)	(335,148)	(28,254)	–	(545,396)
Net carrying amount	890,173	245,164	22,307	507	1,158,151

Note: The amounts include reinstatement costs of HK$14,467,000 (year ended 31 March 2020 — HK$1,286,000) for dismantling, removal and restoration of fixed assets. The amount for the year ended 31 March 2020 also included a reclassification from prepayment of HK$83,283,000. Cash payments of HK$50,783,000 (year ended 31 March 2020 — HK$154,540,000) were made to purchase fixed assets during the period/year.

Certain land and buildings have been mortgaged to secure banking facilities made available to the Group as set out in Note 32 to the financial statements.

19. FIXED ASSETS *(continued)*

The Group carried out an impairment assessment of its commercial land and buildings situated in Hong Kong reported under the property investment segment as a result of a downturn in the property market in Hong Kong during the period/year. The Group assessed the recoverable amounts of those land and buildings and the carrying amount of the land and buildings was written down to their recoverable amount of HK$92,600,000 (31 March 2020 — HK$106,900,000). An impairment loss of HK$12,238,000 (year ended 31 March 2020 — HK$20,192,000) was recognised in "Other losses — net" in the consolidated statement of profit or loss during the nine months ended 31 December 2020. The estimates of the recoverable amount were based on the fair value less costs of disposal. The fair value is categorised as a Level 3 measurement. The fair value is estimated on the basis of capitalisation of the net income and has allowed for outgoings and, in appropriate cases, made provisions for reversionary income potential. The key input was the capitalisation rate of 2.6% (31 March 2020 — 2.7%).

20. INVESTMENT PROPERTIES

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Carrying amount at beginning of period/year	**763,652**	923,465
Disposals during the year	**–**	(56,984)
Fair value adjustments	**(45,427)**	(81,539)
Exchange adjustments	**29,830**	(21,290)
Carrying amount at end of period/year	**748,055**	763,652

Certain investment properties have been mortgaged to secure banking facilities made available to the Group as set out in Note 32 to the financial statements.

The Group engages external, independent and professionally qualified valuers to perform valuations for determining the fair value of the Group's investment properties for financial reporting purposes. The Group's management has reviewed the valuation results by verifying the major inputs and assumptions made by the independent valuers and assessing the reasonableness of property valuation.

Based on professional valuations as at 31 December 2020 made by Asian Appraisal Company, Inc., CBRE, Inc., Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cresa Polska Sp. z o.o., Dalia Assis, RHL Appraisal Limited, Savills Valuation And Professional Services (S) Pte Ltd and Vigers Appraisal and Consulting Limited, independent qualified valuers, the investment properties were revalued on an open market, existing use basis at HK$748,055,000 (31 March 2020 — HK$763,652,000).

20. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
At 31 December 2020				
Recurring fair value measurement for:				
Completed investment properties in:				
Hong Kong	**–**	**–**	**318,750**	**318,750**
Mainland China	**–**	**–**	**256,642**	**256,642**
Overseas	**–**	**–**	**172,663**	**172,663**
	–	**–**	**748,055**	**748,055**
At 31 March 2020				
Recurring fair value measurement for:				
Completed investment properties in:				
Hong Kong	–	–	361,430	361,430
Mainland China	–	–	248,440	248,440
Overseas	–	–	153,782	153,782
	–	–	763,652	763,652

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (year ended 31 March 2020 — Nil).

20. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy *(continued)*

Below is a summary of the valuation techniques used and key inputs to the valuation of investment properties:

Class of property	Valuation techniques	Significant unobservable inputs	Range
Completed investment properties in:			
Hong Kong	Market approach	Price per square metre	HK$164,000 to HK$236,000 (31 March 2020 — HK$179,000 to HK$278,500)
	Income approach	Capitalisation rate	8.0% (31 March 2020 — 8.0%)
Mainland China	Market approach	Price per square metre	HK$13,500 to HK$21,500 (31 March 2020 — HK$11,500 to HK$22,500)
Overseas	Market approach	Price per square metre	HK$6,500 to HK$162,500 (31 March 2020 — HK$5,500 to HK$153,500)
	Income approach	Rental per square metre per month	HK$104 to HK$3,000 (31 March 2020 — HK$84 to HK$4,000)
		Capitalisation rate	4.5% to 8.5% (31 March 2020 — 4.7% to 8.3%)

Under the market approach, fair value is estimated by the direct comparison method on the assumption of the sale of the property interest with the benefit of vacant possession and by referring to comparable sales transactions as available in the market. The key input was the market price per square metre. A significant increase/decrease in the market price in isolation would result in a significant increase/decrease in the fair value of the investment properties.

Under the income approach, fair value is estimated on the basis of capitalisation of the net income and has allowed for outgoings and, in appropriate cases, made provisions for reversionary income potential. The key inputs were the market rent and the capitalisation rate. A significant increase/decrease in the market rent in isolation would result in a significant increase/decrease in the fair value of the investment properties and a significant increase/decrease in the capitalisation rate in isolation would result in a significant decrease/increase in the fair value of the investment properties.

21. LEASES

The Group as a lessee

The Group has lease contracts for various items of properties, equipments and motor vehicles used in its operations. Leases of properties have lease terms of 1 to 11 years. Equipment generally has lease terms of 5 years, while motor vehicles generally have lease terms of 2 to 10 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period/year are as follows:

	Land and buildings HK$'000	Plant and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Nine months ended 31 December 2020				
At 1 April 2020	**94,824**	**1,755**	**37,136**	**133,715**
Additions	**29,940**	**–**	**4,045**	**33,985**
Depreciation provided during the period	**(35,351)**	**(371)**	**(7,170)**	**(42,892)**
Exchange adjustments	**619**	**117**	**2,552**	**3,288**
At 31 December 2020	**90,032**	**1,501**	**36,563**	**128,096**
Year ended 31 March 2020				
At 1 April 2019	564,522	2,379	43,164	610,065
Additions	157,659	–	5,457	163,116
Disposal of subsidiaries *(Note 38)*	(504,075)	–	–	(504,075)
Depreciation provided during the year	(122,587)	(507)	(9,369)	(132,463)
Exchange adjustments	(695)	(117)	(2,116)	(2,928)
At 31 March 2020	94,824	1,755	37,136	133,715

As at 31 December 2020, the carrying amount of the Group's right-of-use assets held under hire purchase commitments was HK$410,000 (31 March 2020 — HK$469,000). The related assets were pledged as security for the related hire purchase commitment with a carrying amount of HK$27,000 as at 31 December 2020 (31 March 2020 — HK$168,000). The hire purchase commitment was presented as part of the Group's lease liabilities (Note 21(b)).

21. LEASES *(continued)*

The Group as a lessee *(continued)*

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the period/year are as follows:

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Balance at beginning of period/year	**140,240**	632,384
Additions	**33,985**	163,116
COVID-19-related rent concessions from lessors	**(8,299)**	–
Disposal of subsidiaries *(Note 38)*	**–**	(527,439)
Interest expenses	**3,096**	15,766
Payments	**(40,683)**	(145,299)
Exchange adjustments	**7,193**	1,712
Balance at end of period/year	**135,532**	140,240
Analysed for reporting purposes as:		
Current liabilities	**43,565**	45,680
Non-current liabilities	**91,967**	94,560
	135,532	140,240

The maturity analysis of lease liabilities is disclosed in Note 45(b) to the financial statements.

As disclosed in Note 2.2 to the financial statements, the Group has early adopted the Amendment to HKFRS 16 and applied the practical expedient to all eligible rent concessions granted by the lessors for leases of certain properties during the period.

(c) Amounts recognised in profit or loss in relation to leases

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Interest on lease liabilities	**3,096**	15,766
Depreciation of right-of-use assets	**42,892**	132,463
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 March 2020 (included in administrative expenses)	**5,166**	17,382
Expense relating to leases of low-value assets (included in administrative expenses)	**180**	1,305
Variable lease payments not included in the measurement of lease liabilities (included in administrative expenses)	**4,688**	9,574
COVID-19-related rent concessions from lessors	**(8,299)**	–
Total amount recognised in the statement of profit or loss	**47,723**	176,490

21. LEASES (continued)

The Group as a lessee (continued)

(d) Extension and termination options

The Group has several lease contracts that include extension and/or termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. The Group does not expect to exercise the termination options under the lease contracts. Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease terms:

	Payable within five years HK$'000	Payable after five years HK$'000	Total HK$'000
At 31 December 2020			
Extension options expected not to be exercised	**25,238**	**3,495**	**28,733**
At 31 March 2020			
Extension options expected not to be exercised	26,605	4,224	30,829

(e) Variable lease payments

The Group leased certain properties which contain variable lease payment terms that are based on the percentage of sales in excess of the base rent. There are also minimum annual base rental arrangements for these leases. The amounts of the fixed and variable lease payments made during the nine months ended 31 December 2020 for these leases were HK$3,146,000 and HK$4,688,000 (year ended 31 March 2020 — HK$112,891,000 and HK$9,574,000), respectively.

(f) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in Notes 39(d) and 41(b) to the financial statements, respectively.

The Group as a lessor

The Group leases certain properties under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market condition. Details of the rental income recognised by the Group are included in Note 5 to the financial statements.

At the end of the reporting period, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	31 December 2020 HK$'000	31 March 2020 HK$'000
Within one year	**17,016**	17,132
After one year but within two years	**9,427**	12,077
After two years but within three years	**2,727**	5,003
After three years but within four years	**636**	280
After four years but within five years	**152**	–
	29,958	34,492

22. INTERESTS IN ASSOCIATES

	31 December 2020 HK$'000	31 March 2020 HK$'000 (Restated)*
Share of net assets	**919,033**	846,023
Goodwill	**291,365**	256,820
Due from associates	**61,078**	96,838
Provisions for impairment losses	**(90,223)**	(157,323)
	1,181,253	1,042,358

* The purchase price allocation exercise of the acquisition of an associate during the year ended 31 March 2020 was completed during the current period. As a consequence, comparative amounts of share of net assets and goodwill have been restated as if the accounting for the acquisition of the associate had been completed during the year ended 31 March 2020. These retrospective adjustments have no impact on the total interests in associates as at 31 March 2020.

As at 31 December 2020, the amounts due from associates are unsecured, interest-free and repayable on demand. As at 31 March 2020, the amounts due from associate also included a loan of HK$36,477,000, which bore interest at 8.5% per annum and was repayable on demand. In the opinion of the Directors, these balances are considered as part of the Group's net investments in the associates. As at 31 December 2020, the loss allowance for impairment of amounts due from associates amounted to HK$54,115,000 (31 March 2020 — HK$90,485,000), which represented lifetime ECLs made for credit-impaired balances. Loss allowance of HK$107,000 (year ended 31 March 2020 — HK$41,000) was provided for the nine months ended 31 December 2020 for credit-impaired receivables with a gross carrying amount of HK$107,000 (31 March 2020 — HK$41,000). Loss allowance of HK$36,477,000 was written off upon the disposal of subsidiaries during the nine months ended 31 December 2020 (year ended 31 March 2020 — Nil). Except for the credit-impaired balances, there has been no significant increase in credit risk of the remaining balances. As at 31 December 2020 and 31 March 2020, the loss allowance for such remaining balances was assessed to be minimal.

Details of the principal associates are set out on pages 203 and 204.

Healthway Medical Corporation Limited ("Healthway"), TIH Limited ("TIH") and Greenix Limited ("Greenix") are considered as material associates of the Group.

Healthway

Healthway is a listed company in Singapore. Healthway, together with its subsidiaries, owns, operates and manages around 90 medical centres and clinics in Singapore. Healthway became an associate of the Group in May 2017 after the completion of a voluntary conditional cash offer and Healthway is accounted for using the equity method. As at 31 December 2020, the Group's equity interest in Healthway was 40.91% (31 March 2020 — 40.91%).

The Group assessed that there was indication that the carrying amount of interest in Healthway may be impaired as at 31 December 2020. The recoverable amount of the associate is estimated based on a value-in-use calculation. The Directors considered no impairment loss was necessary for the nine months ended 31 December 2020 (year ended 31 March 2020 — Nil).

22. INTERESTS IN ASSOCIATES *(continued)*

TIH

TIH is a closed-end fund listed in Singapore which focuses on investment in various sectors in Asia such as consumer and industrial products, healthcare, technology, media and telecommunications, food, manufacturing and chemicals. TIH became an associate of the Group in early 2018 through a share offer (the "TIH Offer") and is accounted for using the equity method. As at 31 December 2020, the Group's equity interest in TIH remained at 39.9% (31 March 2020 — 39.9%).

The Group assessed that there was indication that the carrying amount of interest in TIH may be impaired as at 31 December 2020. The recoverable amount of the associate is estimated based on a value-in-use calculation. The Directors considered no impairment loss was necessary for the nine months ended 31 December 2020 (year ended 31 March 2020 — Nil).

Greenix

Greenix and its subsidiaries are engaged in property development in Singapore and are accounted for using the equity method.

The following table illustrates the summarised consolidated financial information of Healthway, TIH and Greenix, adjusted for fair value adjustments on acquisition (if any) and any differences in accounting policies and reconciled to the carrying amounts in the financial statements:

	Healthway		**TIH**		**Greenix**	
	31 December 2020 HK$'000	31 March 2020 HK$'000	**31 December 2020 HK$'000**	31 March 2020 HK$'000	**31 December 2020 HK$'000**	31 March 2020 HK$'000
Current assets	**270,158**	238,990	**364,296**	267,144	**860,025**	797,000
Non-current assets	**474,637**	463,623	**438,888**	434,254	**–**	–
Current liabilities	**(155,765)**	(156,640)	**(114,862)**	(108,242)	**(50,931)**	(57,709)
Non-current liabilities	**(121,582)**	(126,971)	**(217)**	(272)	**–**	–
Net assets, excluding goodwill	**467,448**	419,002	**688,105**	592,884	**809,094**	739,291
Reconciliation to the Group's interests in associates:						
Group's share of net assets of associates, excluding goodwill	**191,302**	171,036	**274,691**	236,679	**404,547**	369,646
Goodwill, less cumulative impairment	**239,950**	223,035	**–**	–	**–**	–
Carrying amount of the investments	**431,252**	394,071	**274,691**	236,679	**404,547**	369,646
Fair value of the Group's listed investments *(Note)*	**357,746**	241,838	**113,148**	97,809	**N/A**	N/A

Note: Based on the quoted market price as at 31 December 2020 and 31 March 2020, respectively (Level 1 in the fair value hierarchy).

N/A: Not applicable

22. INTERESTS IN ASSOCIATES *(continued)*

The following table illustrates the summarised consolidated financial information of Healthway, TIH and Greenix, adjusted for fair value adjustments on acquisition (if any) and any differences in accounting policies and reconciled to the carrying amounts in the financial statements: *(continued)*

	Healthway		TIH		Greenix	
	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000	**Nine months ended 31 December 2020 HK$'000**	Year ended 31 March 2020 HK$'000	**Nine months ended 31 December 2020 HK$'000**	Year ended 31 March 2020 HK$'000
Revenue for the period/year	**408,899**	662,570	**104,165**	49,861	**125,686**	204,211
Profit/(Loss) for the period/year	**17,154**	(10,086)	**61,833**	(95,163)	**13,179**	49,039
Other comprehensive income/(loss) for the period/year	**73,930**	(59,964)	**46,991**	(38,697)	**–**	–
Total comprehensive income/(loss) for the period/year	**91,084**	(70,050)	**108,824**	(133,860)	**13,179**	49,039
Dividend received for the period/year	**–**	–	**5,431**	5,497	**–**	–

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Share of the associates' profit and total comprehensive income for the period/year	**1,872**	362
Aggregate carrying amount of the Group's interests in the associates at the end of the reporting period	**70,763**	41,962

23. INTERESTS IN JOINT VENTURES

	31 December 2020 HK$'000	31 March 2020 HK$'000
Share of net assets	**7,484,810**	7,823,879
Due from joint ventures	**2,904,319**	2,665,751
Due to a joint venture	**(4,497)**	(4,278)
Provisions for impairment losses	**(148,259)**	(147,032)
	10,236,373	10,338,320

As at 31 December 2020, the amounts due from joint ventures included balances of HK$2,523,323,000 (31 March 2020 — HK$2,346,523,000), which are unsecured, bear interest at rates ranging from nil to 2.25% per annum (31 March 2020 — nil to 2.25% per annum) and are repayable on demand. The amounts due from joint ventures also included balances of HK$190,823,000 (31 March 2020 — HK$171,596,000), which are unsecured, bear interest at rates ranging from nil to 7% per annum (31 March 2020 — nil to 7% per annum) and are repayable when the resources of the joint ventures permit. The remaining balances with the joint ventures are unsecured, interest-free and repayable on demand. In the opinion of the Directors, the balances with joint ventures are considered as part of the Group's net investments in the joint ventures. As at 31 December 2020, the loss allowance for impairment of amounts due from joint ventures amounted to HK$148,259,000 (31 March 2020 — HK$147,032,000), which represented lifetime ECLs made for credit-impaired balances. Loss allowance of HK$1,192,000 (year ended 31 March 2020 — HK$1,613,000) was provided for the nine months ended 31 December 2020 for credit-impaired receivables with a gross carrying amount of HK$1,192,000 (31 March 2020 — HK$1,613,000). Except for the credit-impaired balances, there has been no significant increase in credit risk of the remaining balances. As at 31 December 2020 and 31 March 2020, the loss allowance for such remaining balances was assessed to be minimal.

Details of the principal joint ventures are set out on page 205.

LAAPL is considered a material joint venture of the Group and is accounted for using the equity method. LAAPL is a joint venture set up to hold the controlling stake in OUE Limited ("OUE"). OUE is listed on the Mainboard of Singapore Exchange Securities Trading Limited. OUE is principally engaged in developing and managing assets across the commercial, hospitality, retail, residential and healthcare sectors. Certain bank facilities under LAAPL were secured by certain listed shares held under it. The Directors assessed whether there is any indication that the carrying amount of interest in the joint venture may be impaired and the recoverable amount of the joint venture is estimated based on a value-in-use calculation. The Directors considered no impairment loss was necessary for the nine months ended 31 December 2020 (year ended 31 March 2020 — Nil).

23. INTERESTS IN JOINT VENTURES *(continued)*

The following table illustrates the summarised consolidated financial information of LAAPL, adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

	31 December 2020 HK$'000	31 March 2020 HK$'000
Non-current assets	**39,290,072**	47,760,390
Cash and cash equivalents	**3,372,343**	3,260,070
Other current assets	**9,267,869**	3,098,905
Current assets	**12,640,212**	6,358,975
Financial liabilities, excluding trade and other payables	**(5,308,869)**	(10,303,498)
Other current liabilities	**(1,645,270)**	(1,623,484)
Current liabilities	**(6,954,139)**	(11,926,982)
Non-current financial liabilities, excluding trade and other payables and provisions	**(19,901,670)**	(16,531,662)
Other non-current liabilities	**(1,024,360)**	(1,295,047)
Non-current liabilities	**(20,926,030)**	(17,826,709)
Net assets	**24,050,115**	24,365,674
Reconciliation to the Group's interest in the joint venture:		
Net assets	**24,050,115**	24,365,674
Less: Non-controlling interests	**(16,086,660)**	(16,184,967)
Net assets attributable to equity holders of the joint venture	**7,963,455**	8,180,707
Group's share of net assets of the joint venture	**7,507,731**	7,712,401
Due from the joint venture	**2,523,323**	2,346,523
Adjustment of unrealised gain	**(12,954)**	(12,954)
Carrying amount of the investment	**10,018,100**	10,045,970

23. INTERESTS IN JOINT VENTURES *(continued)*

The following table illustrates the summarised consolidated financial information of LAAPL, adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements: *(continued)*

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Revenue	**1,937,668**	5,596,809
Interest income	**12,409**	30,350
Depreciation and amortisation	**(126,445)**	(173,796)
Interest expenses	**(533,499)**	(926,457)
Tax	**138,161**	(176,695)
Profit/(Loss) for the period/year attributable to equity holders of the joint venture	**(1,015,828)**	466,296
Other comprehensive income/(loss) for the period/year attributable to equity holders of the joint venture	**820,755**	(513,648)
Total comprehensive loss for the period/year attributable to equity holders of the joint venture	**(195,073)**	(47,352)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Share of the joint ventures' loss for the period/year	**(9,099)**	(10,623)
Share of the joint ventures' other comprehensive income/(loss) for the period/year	**14,821**	(13,803)
Share of the joint ventures' total comprehensive income/(loss) for the period/year	**5,722**	(24,426)
Aggregate carrying amount of the Group's interests in the joint ventures at the end of the reporting period	**218,273**	292,350

As at 31 December 2020, the Group's share of joint ventures' own capital commitments amounted to HK$61,922,000 (31 March 2020 — HK$36,198,000).

23. INTERESTS IN JOINT VENTURES *(continued)*

Reference was made to the Group's minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset, prior to the events described below, was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that owned a number of copper ore deposits in the Milford Mineral Belt in Beaver County, State of Utah in the U.S.A. Subsequently, CS Mining sold its assets through a court-supervised sale process under its bankruptcy proceedings and a joint venture of the Company participated and won the bid to acquire the assets in August 2017. In January 2018, a verified complaint (the "Complaint") was filed in a United States state court in Delaware (the "Delaware State Court") by the majority investors in Skye (the "Majority Investors") individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group (collectively, the "Parties"). The Complaint alleges, among other things, that the Majority Investors directly and derivatively through their ownership of Skye, suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Parties on CS Mining. The Parties filed a motion to dismiss the Complaint in 2019. The Delaware State Court issued a decision on the motion to dismiss in 2020, partially granting the motion and dismissing several of the causes of action alleged by the Majority Investors. With respect to the remaining parts of the Complaint that were not dismissed, the Delaware State Court did not rule on the merits of those claims and therefore, the Parties filed its answer and the Majority Investors will have to provide evidence to establish the claims that were not dismissed. The Group, individually and derivatively on behalf of Skye, also filed a counterclaim (the "Counterclaim") against the Majority Investors and their related persons (the "Counterparties"), in which the Group has claimed that the Counterparties, at all relevant times, controlled both Skye and CS Mining and preferred their own interests over those of Skye and its creditors and other owners. As a result, the Counterclaim alleged that the conduct of the Counterparties caused the Group to suffer loss, and accordingly seeks damages against the Counterparties for such losses. The Counterparties have filed a motion to dismiss the Counterclaim but the Group has opposed such motion. The Group continues to believe the Complaint is wholly frivolous and without basis.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2020 HK$'000	31 March 2020 HK$'000
Financial assets at fair value through other comprehensive income:		
Equity securities	**102,993**	105,689

The Group has designated certain equity securities as financial assets at fair value through other comprehensive income as the Group considers these equity securities to be strategic in nature.

During the nine months ended 31 December 2020, the Group derecognised certain equity securities at fair value through other comprehensive income as the investee was liquidated. The fair value on the date of derecognition was nil and the accumulated loss recognised in other comprehensive income was HK$7,763,000. The net accumulated loss attributable to equity holders of the Company of HK$5,821,000 was transferred from fair value reserve of financial assets at FVOCI to retained profits upon derecognition.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(continued)*

During the year ended 31 March 2020, the Group sold certain equity securities at fair value through other comprehensive income as these investments no longer coincided with the Group's investment strategy. The fair value on the date of sale was HK$217,052,000 and the net accumulated loss recognised in other comprehensive income was HK$13,340,000. The net accumulated loss attributable to equity holders of the Company of HK$10,004,000 was transferred from fair value reserve of financial assets at FVOCI to retained profits upon disposal.

During the nine months ended 31 December 2020, no dividend income was recognised from investments in financial assets at fair value through other comprehensive income. During the year ended 31 March 2020, the Group recognised dividend income of HK$606,000 from investments derecognised during the reporting period. Such dividend income was included in "Revenue" in the consolidated statement of profit or loss.

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2020 HK$'000	31 March 2020 HK$'000
Held for trading:		
Equity securities	**558,132**	431,202
Investment funds	**17,293**	22,046
	575,425	453,248
Other financial assets mandatorily classified at fair value through profit or loss:		
Debt securities	**24,348**	21,826
Investment funds	**447,328**	366,895
	471,676	388,721
	1,047,101	841,969
Analysed for reporting purposes as:		
Current assets	**575,425**	453,307
Non-current assets	**471,676**	388,662
	1,047,101	841,969

26. DEBTORS, PREPAYMENTS AND OTHER ASSETS

Trade debtors mainly related to the food businesses operation. Trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, a credit period is allowed according to relevant business practice. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by the senior management.

Included in the balances are trade debtors with an ageing analysis, based on the invoice date and net of loss allowance, as follows:

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

As at 31 December 2020, the balances of debtors, prepayments and other assets included the promissory note received in connection with the TIH Offer of HK$37,211,000 (31 March 2020 — HK$34,588,000), which is unsecured, bears interest at a rate of 2.25% per annum and is repayable on demand. The remaining balances of debtors, prepayments and other assets were non-interest bearing. The Group does not hold any collateral or other credit enhancements over these balances.

Loss allowance for impairment of trade debtors

The movements in the loss allowance for impairment of trade debtors are as follows:

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Balance at beginning of period/year	**1,826**	2,299
Impairment losses recognised	**507**	1,539
Write-off	**–**	(1,869)
Exchange adjustments	**159**	(143)
Balance at end of period/year	**2,492**	1,826

The Group applies the simplified approach to measure the loss allowance at lifetime ECLs for trade debtors. The Group determines the ECLs by using a provision matrix. The provision rates are based on the past due status of the debtors and adjusted for factors specific to the debtors, general economic conditions forecasts and forward-looking information that is available without undue cost or effort. For the nine months ended 31 December 2020, loss allowance of HK$507,000 (year ended 31 March 2020 — HK$1,539,000) was charged to the consolidated statement of profit or loss for receivables arising from contracts with customers under the food businesses.

26. DEBTORS, PREPAYMENTS AND OTHER ASSETS (continued)

Loss allowance for impairment of trade debtors (continued)

Set out below is the information about credit risk exposure on the Group's trade debtors using a provision matrix:

	31 December 2020			31 March 2020		
	Expected credit loss rate	Gross carrying amount HK$'000	Expected credit losses HK$'000	Expected credit loss rate	Gross carrying amount HK$'000	Expected credit losses HK$'000
Current	0%	41,537	–	0%	38,866	–
Past due:						
Within 30 days	0%	29,781	–	0%	21,243	–
Between 31 and 90 days	0%	3,153	–	0%	5,447	–
Between 91 and 120 days	63.9%	2,817	1,800	33.4%	3,541	1,183
Over 121 days	86.9%	796	692	75.0%	857	643
	3.2%	78,084	2,492	2.6%	69,954	1,826

Loss allowance for impairment of other financial assets included in debtors, prepayments and other assets

The movements in the loss allowance for impairment of other financial assets included in debtors, prepayments and other assets are as follows:

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Balance at beginning of period/year	3,491	4,017
Write-off	–	(519)
Exchange adjustments	268	(7)
Balance at end of period/year	3,759	3,491

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate, general economic conditions forecasts and forward-looking information that is available without undue cost or effort. Loss allowance represented lifetime ECLs made for credit-impaired balances. Except for the credit-impaired balances, there has been no significant increase in credit risk of the remaining balances, additional ECLs required for the nine months ended 31 December 2020 and the year ended 31 March 2020 are minimal.

27. OTHER FINANCIAL ASSETS/LIABILITIES

	31 December 2020		31 March 2020	
	Assets	**Liabilities**	Assets	Liabilities
	HK$'000	**HK$'000**	HK$'000	HK$'000
Current portion:				
Derivative financial instruments:				
Forward currency contracts *(Note (a))*	**–**	**7,137**	–	9,888
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	**–**	**16,382**	–	11,718
	–	**23,519**	–	21,606
Non-current portion:				
Derivative financial instruments:				
Warrants	**1,199**	**–**	–	–
Put Option *(Note (b))*	**–**	**–**	46,780	–
Interest rate swap *(Note (c))*	**–**	**1,343**	–	1,303
	1,199	**1,343**	46,780	1,303
	1,199	**24,862**	46,780	22,909

Note:

(a) Forward currency contracts are mainly used to hedge the foreign exchange exposure related to the food businesses operation. The notional amount of the outstanding forward currency contracts as at 31 December 2020 was HK$354,315,000 (31 March 2020 — HK$189,453,000).

(b) Pursuant to the amended and restated shareholders agreement for the joint arrangement for investment in MCB, the Group had the Put Option to sell its remaining 20% interest to the majority shareholder of MCB at any time during the 5 years from 3 November 2017. The right to exercise the Put Option survived any termination or expiry of the shareholders agreement. The Put Option ceased to have effect upon the completion of the disposal of MCB in September 2020 (Note 14).

(c) The notional amount of the outstanding interest rate swap as at 31 December 2020 was HK$58,642,000 (31 March 2020 — HK$54,508,000).

28. PROPERTIES UNDER DEVELOPMENT

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Land and buildings situated outside Hong Kong, at cost:		
Balance at beginning of period/year	**86,271**	88,175
Additions during the period/year	**213**	207
Exchange adjustments	**5,538**	(2,111)
Balance at end of period/year	**92,022**	86,271
Provisions for impairment losses:		
Balance at beginning of period/year	**(56,092)**	(58,609)
Impairment during the period/year	**(149)**	(140)
Exchange adjustments	**(4,272)**	2,657
Balance at end of period/year	**(60,513)**	(56,092)
	31,509	30,179

The properties under development are expected to be recovered in more than twelve months after the end of the reporting period.

29. INVENTORIES

	31 December 2020 HK$'000	31 March 2020 HK$'000
Raw materials and stores	**10,805**	7,835
Finished goods and goods for sale	**5,034**	2,554
	15,839	10,389

30. LOANS AND ADVANCES

The loans and advances to customers of the Group bear interest at rates ranging from 2.0% to 3.0% per annum (31 March 2020 — 3.0% to 12.0% per annum). Certain loans and advances are secured by client's assets being held as collateral with a carrying amount of HK$39,365,000 (31 March 2020 — HK$29,973,000).

The movements in the loss allowance for impairment of loans and advances are as follows:

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Balance at beginning of period/year	**212,202**	223,158
Impairment losses reversed	**–**	(4,618)
Write-off	**–**	(3,545)
Exchange adjustments	**137**	(2,793)
Balance at end of period/year	**212,339**	212,202

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate, general economic conditions forecasts and forward-looking information that is available without undue cost or effort. Loss allowance represented lifetime ECLs made for credit-impaired balances. For the nine months ended 31 December 2020, no loss allowance (year ended 31 March 2020 — reversal of loss allowance of HK$4,618,000) was charged to the consolidated statement of profit or loss. Certain loans and advances are secured by client's asset being held as collateral with no significant changes in the quality of the collateral. Loss allowance for such loans and advances is considered to be minimal. There has been no significant increase in credit risk of the remaining balances, additional ECLs required for the period/year are minimal.

31. RESTRICTED CASH

As at 31 December 2020, restricted cash balances with a carrying amount of HK$53,832,000 (31 March 2020 — HK$49,826,000) were placed in a bank account of a subsidiary of the Company which is solely earmarked to satisfy the principal and interest repayment for the unsecured notes (other than those held by the joint offeror and other concert parties of the TIH Offer). Details of the unsecured notes are set out in Note 32(b) to the financial statements.

Except for the above, the restricted cash balances also included bank deposits pledged as securities for bankers' guarantees issued in relation to the food businesses segment as set out in Note 40 to the financial statements.

32. BANK AND OTHER BORROWINGS

	31 December 2020 HK$'000	31 March 2020 HK$'000
Current portion:		
Unsecured bank overdraft	**2,199**	–
Bank loans:		
Secured *(Note (a))*	**216,450**	648,223
Unsecured	**145,417**	–
Other borrowings:		
Unsecured notes *(Note (b))*	**288,965**	268,594
Unsecured other loan *(Note (c))*	**100,000**	–
	753,031	916,817
Non-current portion:		
Bank loans:		
Secured *(Note (a))*	**1,212,929**	431,139
Unsecured	**–**	491,667
Other borrowings:		
Unsecured other loan *(Note (c))*	**–**	100,000
	1,212,929	1,022,806
	1,965,960	1,939,623
Bank and other borrowings by currency:		
Hong Kong dollar	**1,448,983**	1,483,118
Singapore dollar	**488,037**	429,363
Malaysian Ringgit	**28,940**	27,142
	1,965,960	1,939,623
Bank loans and overdraft repayable:		
Within one year or on demand	**364,066**	648,223
In the second year	**264,171**	559,574
In the third to fifth years, inclusive	**948,758**	363,232
	1,576,995	1,571,029
Other borrowings repayable:		
Within one year	**388,965**	268,594
In the second year	**–**	100,000
	388,965	368,594

The Group's bank loans and overdraft bear interest at rates ranging from 1.3% to 4.8% per annum (31 March 2020 — 3.1% to 5.0% per annum).

32. BANK AND OTHER BORROWINGS *(continued)*

Note:

(a) At the end of the reporting period, the bank loans were secured by:

(i) shares in certain listed subsidiaries of the Group with market value of HK$1,605,090,000 (31 March 2020 — HK$1,944,758,000);

(ii) first legal mortgages over certain investment properties and land and buildings of the Group with carrying amounts of HK$253,500,000 (31 March 2020 — HK$294,400,000) and HK$881,600,000 (31 March 2020 — HK$890,179,000), respectively; and

(iii) fixed and floating charges over all the assets of certain subsidiaries of the Group.

(b) The unsecured notes were issued in connection with the TIH Offer at a rate of 2.25% per annum and were redeemed at par in February 2021.

(c) The Group's other loan represents an unsecured loan advanced from Lippo Capital Limited, a holding company of the Company, which bears interest at a rate of 4% per annum (31 March 2020 — 4% per annum).

33. CREDITORS, ACCRUALS AND OTHER LIABILITIES

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

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

The balances of creditors are non-interest bearing and are generally settled on their normal trade terms.

34. DEFERRED TAX

The movements in deferred tax liabilities and assets during the period/year are as follows:

	Depreciation allowance in excess of related depreciation HK$'000	Revaluation of properties HK$'000	Tax losses HK$'000	Provision and accruals HK$'000	Indefinite life intangible assets HK$'000	Others HK$'000	Total HK$'000
Nine months ended 31 December 2020							
At 1 April 2020	**2,967**	**38,417**	**(63)**	**–**	**–**	**–**	**41,321**
Deferred tax charged/(credited) to the statement of profit or loss during the period *(Note 13)*	**8,794**	**(1,065)**	**(10,509)**	**(1,694)**	**–**	**491**	**(3,983)**
Exchange adjustments	**512**	**4,263**	**(441)**	**(71)**	**–**	**26**	**4,289**
At 31 December 2020	**12,273**	**41,615**	**(11,013)**	**(1,765)**	**–**	**517**	**41,627**
Year ended 31 March 2020							
At 1 April 2019	7,523	41,305	(91)	(1,528)	16,399	1,740	65,348
Deferred tax charged/(credited) to the statement of profit or loss during the year *(Note 13)*	(3,187)	502	28	672	–	(1,605)	(3,590)
Disposal of subsidiaries *(Note 38)*	(1,596)	–	–	844	(16,138)	(97)	(16,987)
Exchange adjustments	227	(3,390)	–	12	(261)	(38)	(3,450)
At 31 March 2020	2,967	38,417	(63)	–	–	–	41,321

The following is the analysis of the deferred tax balances of the Group for financial reporting purposes:

	31 December 2020 HK$'000	31 March 2020 HK$'000
Deferred tax assets	**(4,815)**	(2,807)
Deferred tax liabilities	**46,442**	44,128
Net deferred tax liabilities	**41,627**	41,321

The Group has tax losses of HK$1,778,941,000 (31 March 2020 — HK$1,549,588,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose, except for tax losses of HK$19,579,000 (31 March 2020 — HK$19,114,000) which will expire in one to five years (31 March 2020 — one to five years) and tax losses of HK$50,008,000 (31 March 2020 — Nil) which will expire after five years. Deferred tax assets have not been recognised in respect of these tax losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group also has unrecognised deferred tax assets in respect of unabsorbed capital allowances of HK$463,000 (31 March 2020 — HK$185,000) available for offsetting future taxable income, subject to compliance with the relevant rules and procedures and agreement of the respective tax authorities. The Group did not recognise those deferred tax assets as it is not probable that taxable profits will be available against which the unabsorbed capital allowances can be utilised.

34. DEFERRED TAX *(continued)*

Pursuant to the People's Republic of China Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in mainland China. The requirement became effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2020, except for withholding tax provided for under deferred tax liabilities, there were no significant unrecognised deferred tax liabilities (31 March 2020 — Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or joint ventures as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payments of dividends of the Company to its shareholders.

35. SHARE CAPITAL

	31 December 2020 HK$'000	31 March 2020 HK$'000
Issued and fully paid:		
493,154,032 (31 March 2020 — 493,154,032) ordinary shares	**986,598**	986,598

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

There was no movement in share capital during the nine months ended 31 December 2020 and the year ended 31 March 2020.

36. RESERVES

The amounts of the Group's reserves and movements therein for the current period and the prior year are presented in the consolidated statement of changes in equity on pages 90 and 91.

Included in the retained profits of the Group as at 31 December 2020 was an amount of final dividend for the nine months ended 31 December 2020 of HK$14,795,000 (year ended 31 March 2020 — HK$24,658,000) proposed after the end of the reporting period.

Note:

(a) Special capital reserve
Pursuant to a special resolution passed at an extraordinary general meeting of the Company on 23 December 1998 and the subsequent confirmation by the court on 26 January 1999, the then entire amount standing to the credit of the share capital account of the Company of approximately HK$1,709,202,000 was cancelled on 27 January 1999 (the "Cancellation"). The credit arising from the Cancellation was transferred to a special capital reserve account.

(b) Hedging reserve
The hedging reserve relates to the Group's share of the hedging reserve under joint ventures.

37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Hongkong Chinese Limited ("HKC") and Lippo China Resources Limited ("LCR") are considered as subsidiaries that have material non-controlling interests. Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	31 December 2020	31 March 2020
Percentage of ownership interest held by non-controlling interests:		
HKC	**26.1%**	26.1%
LCR	**25.0%**	25.0%

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Profit/(Loss) for the period/year allocated to non-controlling interests:		
HKC	**(216,078)**	109,437
LCR	**(31,556)**	84,582
Dividends paid to non-controlling interests:		
HKC	**15,617**	10,411
LCR	**22,967**	934,087
Accumulated balances of non-controlling interests at the end of the reporting period:		
HKC	**2,798,963**	2,771,849
LCR	**1,238,942**	1,247,897

37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(continued)*

The following tables illustrate the summarised consolidated financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	HKC	
	31 December 2020 HK$'000	31 March 2020 HK$'000
Current assets	**323,715**	267,726
Non-current assets	**10,765,086**	10,909,843
Current liabilities	**(252,955)**	(82,131)
Non-current liabilities	**(148,090)**	(507,150)

	HKC	
	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000 (Restated)
Continuing operations		
Revenue	**82,526**	71,438
Share of results of joint ventures	**(966,114)**	433,852
Total expenses	**(80,624)**	(74,664)
Profit/(Loss) for the period/year from continuing operations	**(964,212)**	430,626
Profit/(Loss) for the period/year from discontinued operation	**134,599**	(7,021)
Profit/(Loss) for the period/year	**(829,613)**	423,605
Total comprehensive income/(loss) for the period/year	**990**	(110,342)
Net cash flows used in operating activities	**(28,732)**	(65,161)
Net cash flows from investing activities	**352,365**	2,392
Net cash flows used in financing activities	**(265,887)**	(304,360)
Net increase/(decrease) in cash and cash equivalents	**57,746**	(367,129)

37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(continued)*

The following tables illustrate the summarised consolidated financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: *(continued)*

	LCR	
	31 December 2020 HK$'000	31 March 2020 HK$'000
Current assets	**1,897,281**	1,815,966
Non-current assets	**3,351,912**	3,137,013
Current liabilities	**(919,618)**	(1,144,982)
Non-current liabilities	**(847,432)**	(283,687)

	LCR	
	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Revenue	**491,697**	855,720
Total expenses	**(534,475)**	(1,044,128)
Loss for the period/year	**(42,778)**	(188,408)
Total comprehensive income/(loss) for the period/year	**49,703**	(324,651)
Net cash flows used in operating activities	**(28,898)**	(103,526)
Net cash flows from/(used in) investing activities	**(138,403)**	519,037
Net cash flows from/(used in) financing activities	**159,557**	(1,666,258)
Net decrease in cash and cash equivalents	**(7,744)**	(1,250,747)

38. DISPOSAL OF SUBSIDIARIES

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

An analysis of the net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Cash consideration	**1**	489,099
Cash and cash equivalents disposed of	**(271)**	(44,715)
Net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries	**(270)**	444,384

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit/(loss) before tax to cash used in operations

	Note	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Profit/(Loss) before tax:			
From continuing operations		**(1,048,503)**	193,067
From discontinued operation		**134,599**	(7,021)
Adjustments for:			
Share of results of associates		**(40,148)**	17,225
Share of results of joint ventures		**966,600**	(428,899)
Loss/(Gain) on disposal of:			
Fixed assets	7	**1,374**	4,643
An investment property	7	**–**	1,254
A joint venture	14	**(181,663)**	–
Subsidiaries	38	**35,818**	(342,679)
Gain on deemed disposal of an associate	7	**(195)**	–
Loss on derecognition of associates	7	**–**	1,519
Provisions/(Write-back of provisions) for impairment losses on:			
Fixed assets	7	**12,238**	16,927
Associates	7	**107**	(168)
Joint ventures	7	**1,192**	(1,787)
Properties held for sale	7	**620**	–
Properties under development	7	**149**	140
Inventories	7	**2,409**	667
Loans and receivables	7	**507**	1,539
Bad debt recovered	7	**–**	(4,618)
Fixed assets written off	7	**–**	2,627
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	7	**(3,813)**	(13,985)
Net fair value loss/(gain) on financial instruments at fair value through profit or loss		**(85,581)**	173,028
Net fair value loss on investment properties		**45,427**	81,539
Finance costs		**51,923**	91,921
Interest income	8	**(53,167)**	(84,039)
Dividend income	5	**(16,074)**	(17,158)
COVID-19-related rent concessions from lessors	21	**(8,299)**	–
Depreciation of fixed assets	8	**45,038**	72,316
Depreciation of right-of-use assets	8	**42,892**	132,463
		(96,550)	(109,479)
Increase in other financial asset		**(2,899)**	–
Decrease in properties held for sale		**15,885**	–
Increase in properties under development		**(213)**	(207)
Increase in inventories		**(7,172)**	(1,271)
Decrease in loans and advances		**49,576**	11,750
Decrease/(Increase) in debtors, prepayments and other assets		**40,454**	(20,083)
Increase in financial instruments at fair value through profit or loss		**(46,074)**	(22,435)
Decrease in creditors, accruals and other liabilities		**(32,634)**	(82,589)
Increase in other financial liabilities		**4,550**	3,673
Cash used in operations		**(75,077)**	(220,641)

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Major non-cash transactions

Save as disclosed elsewhere in the financial statements, the Group had the following major non-cash transactions:

During the nine months ended 31 December 2020, the Group had non-cash additions to right-of-use assets and lease liabilities of HK$33,985,000 (year ended 31 March 2020 — HK$163,116,000) and HK$33,985,000 (year ended 31 March 2020 — HK$163,116,000), respectively, in respect of lease arrangements.

(c) Changes in liabilities arising from financing activities

	Bank and other borrowings HK$'000	Interest payable HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2020	**1,939,623**	**1,770**	**140,240**	**2,081,633**
Changes from financing cash flows:				
Drawdown of bank and other borrowings	**949,553**	**–**	**–**	**949,553**
Repayment of bank and other borrowings	**(958,913)**	**–**	**–**	**(958,913)**
Principal portion of lease payments	**–**	**–**	**(37,587)**	**(37,587)**
Finance costs paid	**(5,520)**	**(38,313)**	**(3,096)**	**(46,929)**
Total changes from financing cash flows	**(14,880)**	**(38,313)**	**(40,683)**	**(93,876)**
Addition to lease liabilities	**–**	**–**	**33,985**	**33,985**
Increase in bank overdraft	**2,199**	**–**	**–**	**2,199**
Exchange adjustments	**33,133**	**249**	**7,193**	**40,575**
COVID-19-related rent concessions from lessors	**–**	**–**	**(8,299)**	**(8,299)**
Finance costs charged to the statement of profit or loss	**5,885**	**42,942**	**3,096**	**51,923**
At 31 December 2020	**1,965,960**	**6,648**	**135,532**	**2,108,140**
At 1 April 2019	2,727,624	1,938	632,384	3,361,946
Changes from financing cash flows:				
Drawdown of bank and other borrowings	536,439	–	–	536,439
Repayment of bank and other borrowings	(1,300,673)	–	–	(1,300,673)
Principal portion of lease payments	–	–	(129,533)	(129,533)
Finance costs paid	(3,360)	(67,966)	(15,766)	(87,092)
Total changes from financing cash flows	(767,594)	(67,966)	(145,299)	(980,859)
Addition to lease liabilities	–	–	163,116	163,116
Disposal of subsidiaries *(Note 38)*	–	–	(527,439)	(527,439)
Exchange adjustments	(28,447)	(317)	1,712	(27,052)
Finance costs charged to the statement of profit or loss	8,040	68,115	15,766	91,921
At 31 March 2020	1,939,623	1,770	140,240	2,081,633

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(d) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
Within operating activities	**10,034**	28,261
Within financing activities	**40,683**	145,299
	50,717	173,560

40. CONTINGENT LIABILITIES

Save as disclosed elsewhere in the financial statements, the Group had the following contingent liabilities at the end of the reporting period:

	31 December 2020 HK$'000	31 March 2020 HK$'000
Secured bankers' guarantee	**2,183**	2,697
Unsecured bankers' guarantee	**1,567**	17,352
	3,750	20,049

The bankers' guarantees were mainly issued in lieu of rental and utility deposits for the premises used in the food businesses segment. As at 31 December 2020, the secured bankers' guarantees were secured by fixed deposits of approximately HK$2,012,000 (31 March 2020 — HK$2,028,000) and corporate guarantees from the shareholders of a subsidiary of approximately HK$402,000 (31 March 2020 — HK$373,000).

41. COMMITMENTS

(a) The Group had the following commitments at the end of the reporting period:

	31 December 2020 HK$'000	31 March 2020 HK$'000
Commitments in respect of properties, plant and equipment:		
Contracted, but not provided for *(Note (i))*	**17,447**	53,024
Other commitments:		
Contracted, but not provided for *(Note (ii))*	**39,724**	51,830
	57,171	104,854

Note:

(i) The balance included the Group's commitments in relation to the construction of a new food factory in Malaysia of HK$17,264,000 (31 March 2020 — HK$53,024,000).

(ii) The balance included the Group's commitments for financial assets at fair value through profit or loss of HK$32,540,000 (31 March 2020 — HK$45,454,000).

(b) The Group has various lease contracts that have not yet commenced as at 31 December 2020. The future lease payments for these non-cancellable lease contracts are HK$1,888,000 (31 March 2020 — HK$34,695,000) due within one year, HK$15,998,000 (31 March 2020 — HK$63,676,000) due in the second to fifth years, inclusive and HK$25,064,000 (31 March 2020 — HK$4,840,000) due after five years.

42. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the nine months ended 31 December 2020:

(a) During the period, the Group paid interest expense of HK$3,014,000 (year ended 31 March 2020 — HK$5,137,000) to a holding company of the Company pursuant to an unsecured loan granted by such holding company, details of which are disclosed in Note 32 to the financial statements.

(b) During the period, the Group received interest income of HK$47,234,000 (year ended 31 March 2020 — HK$61,722,000) from joint ventures of the Group.

(c) During the period, the Group received revenue from the provision of project management services of HK$1,592,000 (year ended 31 March 2020 — HK$1,042,000) from associates of the Group.

(d) During the period, the Group paid consultancy and service fees of HK$1,813,000 (year ended 31 March 2020 — Nil) to an associate of the Group. The fee was charged pursuant to the terms in the agreement signed between the parties.

(e) During the period, the Group provided a loan of HK$225,040,000 to a joint venture of the Group. The loan is unsecured, bears interest at 2.2% over 1 week US$ London Inter-Bank Offered Rate and is repayable on demand. The loan was fully repaid by the joint venture during the period.

(f) On 3 January 2020, Maxx Coffee Singapore Pte. Ltd. (the "Franchisee"), a non-wholly owned subsidiary of the Company, entered into a franchise agreement (the "Franchise Agreement") with PT Maxx Coffee Prima (the "Franchisor"), pursuant to which the Franchisor agreed to grant to the Franchisee the exclusive right and licence in Singapore to carry on the business of establishing, developing and operating the Maxx Coffee shops for an initial term of ten years. During the period, the Group paid to the Franchisor a royalty fee and consideration for the purchase of supplies of HK$67,000 (year ended 31 March 2020 — HK$19,000) and HK$197,000 (year ended 31 March 2020 — HK$107,000), respectively. As at the date when the Franchise Agreement was entered into, the Franchisor was indirectly controlled by PT Inti Anugerah Pratama, of which Dr. Stephen Riady, an executive Director and Chairman of the Board of the Company, and his brother, Mr. James Tjahaja Riady were the ultimate beneficial owners.

(g) As at 31 December 2020, the Group had balances with its associates and joint ventures, further details of which are set out in Notes 22 and 23 to the financial statements.

(h) The key management personnel of the Group are its Directors. Details of the Directors' emoluments are disclosed in Note 9 to the financial statements.

The transactions referred to in item (f) above were continuing connected transactions as defined under Chapter 14A of the Listing Rules which were subject to the disclosure requirements under the Listing Rules. Further details of such transactions are disclosed in the section headed "Continuing Connected Transactions" in the Report of Directors. The transaction referred to in item (a) above was a connected transaction exempted from reporting, annual review and independent shareholders' approval under Chapter 14A of the Listing Rules. The transactions referred to in items (b) to (e), (g) and (h) above were not continuing connected transactions or connected transactions as defined under Chapter 14A of the Listing Rules which were subject to the disclosure requirements under the Listing Rules.

43. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income			
	Held for trading HK$'000	Mandatorily classified at fair value through profit or loss HK$'000	Equity securities HK$'000	Financial assets at amortised cost HK$'000	Derivative financial instruments HK$'000	Total HK$'000
At 31 December 2020						
Financial assets at fair value through other comprehensive income	**–**	**–**	**102,993**	**–**	**–**	**102,993**
Financial assets at fair value through profit or loss	**575,425**	**471,676**	**–**	**–**	**–**	**1,047,101**
Other financial asset	**–**	**–**	**–**	**–**	**1,199**	**1,199**
Amounts due from associates	**–**	**–**	**–**	**6,963**	**–**	**6,963**
Amounts due from joint ventures	**–**	**–**	**–**	**2,756,060**	**–**	**2,756,060**
Loans and advances	**–**	**–**	**–**	**26,420**	**–**	**26,420**
Financial assets included in debtors, prepayments and other assets	**–**	**–**	**–**	**151,558**	**–**	**151,558**
Restricted cash	**–**	**–**	**–**	**55,844**	**–**	**55,844**
Time deposits with original maturity of more than three months	**–**	**–**	**–**	**73,034**	**–**	**73,034**
Cash and cash equivalents	**–**	**–**	**–**	**1,202,629**	**–**	**1,202,629**
	575,425	**471,676**	**102,993**	**4,272,508**	**1,199**	**5,423,801**
At 31 March 2020						
Financial assets at fair value through other comprehensive income	–	–	105,689	–	–	105,689
Financial assets at fair value through profit or loss	453,248	388,721	–	–	–	841,969
Other financial asset	–	–	–	–	46,780	46,780
Amounts due from associates	–	–	–	6,353	–	6,353
Amounts due from joint ventures	–	–	–	2,518,719	–	2,518,719
Loans and advances	–	–	–	74,695	–	74,695
Financial assets included in debtors, prepayments and other assets	–	–	–	199,762	–	199,762
Restricted cash	–	–	–	51,854	–	51,854
Time deposits with original maturity of more than three months	–	–	–	66,176	–	66,176
Cash and cash equivalents	–	–	–	1,175,208	–	1,175,208
	453,248	388,721	105,689	4,092,767	46,780	5,087,205

43. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: *(continued)*

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition HK$'000	Financial liabilities at amortised cost HK$'000	Derivative financial instruments HK$'000	Total HK$'000
At 31 December 2020				
Bank and other borrowings	**–**	**1,965,960**	**–**	**1,965,960**
Financial liabilities included in creditors, accruals and other liabilities	**–**	**309,039**	**–**	**309,039**
Other financial liabilities	**16,382**	**–**	**8,480**	**24,862**
Amount due to a joint venture	**–**	**4,497**	**–**	**4,497**
	16,382	**2,279,496**	**8,480**	**2,304,358**
At 31 March 2020				
Bank and other borrowings	–	1,939,623	–	1,939,623
Financial liabilities included in creditors, accruals and other liabilities	–	231,715	–	231,715
Other financial liabilities	11,718	–	11,191	22,909
Amount due to a joint venture	–	4,278	–	4,278
	11,718	2,175,616	11,191	2,198,525

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments carried at fair value, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	31 December 2020 HK$'000	31 March 2020 HK$'000	**31 December 2020 HK$'000**	31 March 2020 HK$'000
Financial assets				
Financial assets at fair value through other comprehensive income	**102,993**	105,689	**102,993**	105,689
Financial assets at fair value through profit or loss	**1,047,101**	841,969	**1,047,101**	841,969
Other financial assets	**1,199**	46,780	**1,199**	46,780
	1,151,293	994,438	**1,151,293**	994,438
Financial liabilities				
Bank and other borrowings	**288,965**	268,594	**287,324**	267,495
Other financial liabilities	**24,862**	22,909	**24,862**	22,909
	313,827	291,503	**312,186**	290,404

Management has assessed that the fair values of cash and cash equivalents, time deposits with original maturity of more than three months, restricted cash, financial assets included in debtors, prepayments and other assets, loans and advances, amounts due from associates and joint ventures, an unsecured other loan and financial liabilities included in creditors, accruals and other liabilities approximate to their carrying amounts largely due to the short term maturity of these instruments. In addition, the fair values of interest-bearing bank loans approximate to their carrying amounts as they are floating rate instruments that are repriced to market interest rates at or near the end of the reporting period and the changes in fair value as a result of the Group's non-performance risk were considered to be minimal.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of significant financial instruments. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines major inputs applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity securities, debt securities and investment funds are based on quoted market prices.

The fair values of unlisted debt securities are determined by reference to the quoted market prices from the broker using a valuation technique with market observable inputs.

The fair value of financial liabilities at fair value through profit or loss designated as such upon initial recognition within Level 2 of fair value hierarchy is determined by reference to the pro-rata share held by external parties of the net asset value of an exchange traded fund, which is a subsidiary of the Group.

The fair values of the forward currency contracts and interest rate swap are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include present value calculations using forward pricing and observable forward interest rate. The fair values of warrants are based on broker quotes.

The fair values of the unsecured notes have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for the unsecured notes as at 31 December 2020 was assessed to be insignificant.

The fair values of unlisted investment funds are assessed to approximate the net asset values indicated on the net asset value statements issued by the investment fund managers, which take into consideration the fair values of the underlying assets held under the investments. For unlisted investment funds classified under Level 3 of the fair value measurement hierarchy, when the net asset value increases/decreases by 3% (31 March 2020 — 3%), the fair value will be increased/decreased by HK$13,482,000 (31 March 2020 — HK$11,106,000).

The fair values of unlisted equity securities are estimated based on either the market approach or the income approach. The market approach is based on the price multiple determined with reference to comparable public companies and includes appropriate risk adjustments for lack of marketability. The income approach uses the discounted cash flow model which requires management to make assumptions about model inputs, including forecast cash flows, the discount rate and volatility based on observable or unobservable market data.

The fair value of the Put Option as at 31 March 2020 was determined by Monte-Carlo simulation, which was the capitalisation of discounted cash flows generated by possible share price paths simulated by the model.

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Below is a summary of significant unobservable inputs to the valuation of the unlisted equity securities and the Put Option used in Level 3 fair value measurements as at 31 December 2020 and 31 March 2020:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Unlisted equity securities	Market approach	Price to earnings multiple ("PE multiple")	11.1 (31 March 2020 — 11.5 to 12.2)	When PE multiple increases/decreases by 0.5 (31 March 2020 — 0.5), the fair value will be increased/decreased by HK$3,613,000 and HK$3,605,000 (31 March 2020 — HK$3,701,000 and HK$3,716,000), respectively.
		Discount for lack of marketability ("DLOM")	15.8% (31 March 2020 — 15.8%)	When DLOM increases/decreases, the fair value will be decreased/increased. Fair value changes resulting from reasonably possible changes in DLOM were not significant (31 March 2020 — not significant).
	Income approach	Discount rate	21.1% to 28.7% (31 March 2020 — 20.3% to 26.7%)	When discount rate increases/decreases by 3% (31 March 2020 — 3%), the fair value will be decreased/increased by HK$806,000 and HK$1,093,000 (31 March 2020 — HK$1,074,000 and HK$1,364,000), respectively.
		DLOM	15.8% to 20.6% (31 March 2020 — 15.8% to 20.6%)	When DLOM increases/decreases, the fair value will be decreased/increased. Fair value changes resulting from reasonably possible changes in DLOM were not significant (31 March 2020 — not significant).
Put Option	Monte-Carlo simulation method	Volatility of underlying shares	N/A (31 March 2020 — 20.9%)	N/A (31 March 2020 — When the volatility of the underlying shares increases/decreases by 5%, the fair value will be increased/decreased by HK$343,000 and HK$75,000, respectively.)

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
At 31 December 2020				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income:				
Equity securities	**637**	**–**	**102,356**	**102,993**
Financial assets at fair value through profit or loss held for trading:				
Equity securities	**558,132**	**–**	**–**	**558,132**
Investment funds	**14,821**	**399**	**2,073**	**17,293**
Other financial assets mandatorily classified at fair value through profit or loss:				
Debt securities	**–**	**24,348**	**–**	**24,348**
Investment funds	**–**	**–**	**447,328**	**447,328**
Other financial asset:				
Warrants	**–**	**1,199**	**–**	**1,199**
	573,590	**25,946**	**551,757**	**1,151,293**
Liabilities measured at fair value				
Other financial liabilities:				
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	**–**	**16,382**	**–**	**16,382**
Foreign currency contracts	**–**	**7,137**	**–**	**7,137**
Interest rate swap	**–**	**1,343**	**–**	**1,343**
	–	**24,862**	**–**	**24,862**
At 31 March 2020				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income:				
Equity securities	360	–	105,329	105,689
Financial assets at fair value through profit or loss held for trading:				
Equity securities	431,202	–	–	431,202
Investment funds	18,338	403	3,305	22,046
Other financial assets mandatorily classified at fair value through profit or loss:				
Debt securities	–	21,826	–	21,826
Investment funds	–	–	366,895	366,895
Other financial asset:				
Put Option	–	–	46,780	46,780
	449,900	22,229	522,309	994,438
Liabilities measured at fair value				
Other financial liabilities:				
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	–	11,718	–	11,718
Foreign currency contracts	–	9,888	–	9,888
Interest rate swap	–	1,303	–	1,303
	–	22,909	–	22,909

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy *(continued)*

The movements in fair value measurements in Level 3 during the period/year are as follows:

	Equity securities at fair value through other comprehensive income HK$'000	Investment funds at fair value through profit or loss held for trading HK$'000	Investment funds mandatorily classified at fair value through profit or loss HK$'000	Put Option HK$'000
At 1 April 2020	**105,329**	**3,305**	**366,895**	**46,780**
Total gains/(losses) recognised in the statement of profit or loss	**–**	**(732)**	**62,909**	**(46,780)**
Total losses recognised in other comprehensive income	**(7,033)**	**–**	**–**	**–**
Additions	**3,688**	**–**	**29,127**	**–**
Distributions	**–**	**(500)**	**(17,370)**	**–**
Exchange adjustments	**372**	**–**	**5,767**	**–**
At 31 December 2020	**102,356**	**2,073**	**447,328**	**–**
At 1 April 2019	136,704	3,796	369,494	49,087
Total gains/(losses) recognised in the statement of profit or loss	–	277	(5,181)	(2,307)
Total losses recognised in other comprehensive income	(33,691)	–	–	–
Additions	2,714	–	76,786	–
Disposals	(262)	–	(41,940)	–
Distributions	–	(768)	(27,707)	–
Exchange adjustments	(136)	–	(4,557)	–
At 31 March 2020	105,329	3,305	366,895	46,780

During the nine months ended 31 December 2020, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (year ended 31 March 2020 — Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy *(continued)*

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
At 31 December 2020				
Liabilities for which fair values are disclosed				
Bank and other borrowings:				
Unsecured notes	**–**	**–**	**287,324**	**287,324**
At 31 March 2020				
Liabilities for which fair values are disclosed				
Bank and other borrowings:				
Unsecured notes	–	–	267,495	267,495

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has established policies and procedures for risk management which are reviewed regularly by the Executive Directors and senior management of the Group to ensure the proper monitoring and control of all major risks arising from the Group's activities at all times.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The risk management function is carried out by individual business units and regularly overseen by the Group's senior management with all the risk limits approved by the Executive Directors of the Group, which are summarised below. The Group's accounting policies in relation to derivatives are set out in Note 2.4 to the financial statements.

(a) Credit risk

Credit risk arises from the possibility that the counterparty in a transaction may default. It arises from lending, treasury, investment, food businesses and other activities undertaken by the Group.

The Group trades only with recognised and creditworthy parties. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. Credit policies with guidelines on credit terms and limits set the basis for risk control for trade receivables. New customers are subject to credit evaluation while the Group continues to monitor existing customers, especially those with repayment issues. Credit approval for loans and advances takes into account the type and tenor of loans, creditworthiness and repayment ability of prospective borrowers, collateral available and the resultant risk concentration in the context of the Group's total assets. Appropriate allowances are made for probable losses when necessary for identified debtors.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk *(continued)*

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
As at 31 December 2020					
Amounts due from associates*	**6,963**	**–**	**54,115**	**–**	**61,078**
Amounts due from joint ventures*	**2,756,060**	**–**	**148,259**	**–**	**2,904,319**
Loans and advances*	**26,420**	**–**	**212,339**	**–**	**238,759**
Financial assets included in debtors, prepayments and other assets					
Trade debtors**	**–**	**–**	**–**	**78,084**	**78,084**
Others*	**75,966**	**–**	**3,759**	**–**	**79,725**
Restricted cash***	**55,844**	**–**	**–**	**–**	**55,844**
Time deposits with original maturity of more than three months***	**73,034**	**–**	**–**	**–**	**73,034**
Cash and cash equivalents***	**1,202,629**	**–**	**–**	**–**	**1,202,629**
	4,196,916	**–**	**418,472**	**78,084**	**4,693,472**
As at 31 March 2020					
Amounts due from associates*	6,353	–	90,485	–	96,838
Amounts due from joint ventures*	2,518,719	–	147,032	–	2,665,751
Loans and advances*	74,695	–	212,202	–	286,897
Financial assets included in debtors, prepayments and other assets					
Trade debtors**	–	–	–	69,954	69,954
Others*	131,634	–	3,491	–	135,125
Restricted cash***	51,854	–	–	–	51,854
Time deposits with original maturity of more than three months***	66,176	–	–	–	66,176
Cash and cash equivalents***	1,175,208	–	–	–	1,175,208
	4,024,639	–	453,210	69,954	4,547,803

* Further details in respect of the Group's loss allowance for impairment of amounts due from associates, amounts due from joint ventures, loans and advances and other financial assets included in debtors, prepayments and other assets are disclosed in Notes 22, 23, 30 and 26 to the financial statements, respectively.

** For trade debtors to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 26 to the financial statements.

*** The bank balances are deposited with creditworthy financial institutions with no recent history of default. The Group considers these balances to have low credit risk and the amount of the loss allowance for impairment was negligible.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk *(continued)*

Concentration of credit risk

The Group's exposure to credit risk arising from trade debtors and loans and advances at the end of the reporting period based on the information provided to key management is as follows:

	31 December 2020 HK$'000	31 March 2020 HK$'000
By geographical area:		
Hong Kong	**827**	640
Mainland China	**33**	176
Republic of Singapore	**92,275**	84,446
Indonesia	**–**	50,500
Australia	**8,827**	7,041
Others	**50**	20
	102,012	142,823

(b) Liquidity risk

The Group manages the liquidity structure of its assets, liabilities and commitments in view of market conditions and its business needs, as well as to ensure that its operations meet the statutory requirement for the minimum liquidity ratio whenever applicable.

Management comprising Executive Directors and senior managers monitors the liquidity position of the Group on an on-going basis to ensure the availability of sufficient liquid funds to meet all obligations as they fall due and to make the most efficient use of the Group's financial resources. As at 31 December 2020, approximately 38% (31 March 2020 — 47%) of the Group's debts would mature in less than one year based on the carrying values of bank and other borrowings.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) Liquidity risk *(continued)*

The maturity profile of liabilities of the Group as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Repayable on demand HK$'000	3 months or less HK$'000	1 year or less but over 3 months HK$'000	5 years or less but over 1 year HK$'000	Over 5 years HK$'000	Total HK$'000
At 31 December 2020						
Bank and other borrowings	**2,199**	**338,351**	**460,320**	**1,380,965**	**–**	**2,181,835**
Lease liabilities	**–**	**12,779**	**32,044**	**93,964**	**–**	**138,787**
Financial liabilities included in creditors, accruals and other liabilities	**–**	**172,224**	**136,815**	**–**	**–**	**309,039**
Other financial liabilities	**16,382**	**–**	**7,137**	**1,343**	**–**	**24,862**
Amount due to a joint venture	**4,497**	**–**	**–**	**–**	**–**	**4,497**
Bankers' guarantee	**–**	**–**	**305**	**3,445**	**–**	**3,750**
	23,078	**523,354**	**636,621**	**1,479,717**	**–**	**2,662,770**
At 31 March 2020						
Bank and other borrowings	–	456,383	508,742	1,065,476	–	2,030,601
Lease liabilities	–	15,319	34,085	92,199	7,734	149,337
Financial liabilities included in creditors, accruals and other liabilities	–	113,737	117,978	–	–	231,715
Other financial liabilities	11,718	–	9,888	1,303	–	22,909
Amount due to a joint venture	4,278	–	–	–	–	4,278
Bankers' guarantee	–	6,284	293	13,472	–	20,049
	15,996	591,723	670,986	1,172,450	7,734	2,458,889

(c) Interest rate risk

Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets and liabilities. The Group's interest rate positions mainly arise from treasury and other investment activities undertaken.

The Group monitors its interest-sensitive products and investments and net repricing gap and limits interest rate exposure through management of maturity profile, currency mix and choice of fixed or floating interest rates. When appropriate, interest rate swaps would be used to manage this risk in a cost-effective manner. The interest rate risk is managed and monitored regularly by the senior management of the Group.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) Interest rate risk *(continued)*

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax and equity (through the impact on interest-bearing monetary assets and liabilities).

	Nine months ended 31 December 2020			Year ended 31 March 2020		
	Increase/ (Decrease) in basis points	Increase/ (Decrease) in profit before tax HK$'000	Increase/ (Decrease) in equity HK$'000	Increase/ (Decrease) in basis points	Increase/ (Decrease) in profit before tax HK$'000	Increase/ (Decrease) in equity HK$'000
Hong Kong dollar	+50	(6,000)	(6,000)	+50	(6,372)	(6,372)
United States dollar	+50	2,616	2,616	+50	2,991	2,991
Singapore dollar	+50	603	603	+50	851	851
Renminbi	+50	936	936	+50	807	807
Hong Kong dollar	–50	6,000	6,000	–50	6,372	6,372
United States dollar	–50	(2,616)	(2,616)	–50	(2,991)	(2,991)
Singapore dollar	–50	(603)	(603)	–50	(851)	(851)
Renminbi	–50	(936)	(936)	–50	(807)	(807)

(d) Foreign currency risk

Foreign currency risk is the risk to earnings or capital arising from movements in foreign exchange rates. The Group's foreign currency risk primarily arises from currency exposures originating from its foreign exchange dealings and other investment activities.

The Group monitors the relative foreign exchange positions 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 foreign currency risk is managed and monitored on an on-going basis by the senior management of the Group.

The Group uses forward currency contracts to mitigate the currency exposures on transactions under the food businesses segment. The forward currency contracts must be in the same currency as the hedged item. It is the Group's policy not to enter into forward currency contracts until a firm commitment is in place. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness. The Group does not apply hedge accounting.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(d) Foreign currency risk *(continued)*

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the United States dollars, Singapore dollars and Renminbi exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/(Decrease) in profit before tax	
	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000
United States dollar against Hong Kong dollar		
— strengthened by 3% (31 March 2020 — 3%)	**3,902**	2,542
— weakened by 3% (31 March 2020 — 3%)	**(3,902)**	(2,542)
Singapore dollar against Hong Kong dollar		
— strengthened by 3% (31 March 2020 — 3%)	**(3,764)**	(1,869)
— weakened by 3% (31 March 2020 — 3%)	**3,764**	1,869
Renminbi against Hong Kong dollar		
— strengthened by 3% (31 March 2020 — 3%)	**273**	248
— weakened by 3% (31 March 2020 — 3%)	**(273)**	(248)

At the end of the reporting period, the total cash and bank balances of the Group's subsidiaries in mainland China denominated in Renminbi amounted to HK$259,416,000 (31 March 2020 — HK$227,225,000). The conversion of these Renminbi balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the government in mainland China.

(e) Equity price risk

Equity price risk is the risk that the fair values of financial assets decrease as a result of changes in the levels of equity indices and the values of individual financial assets. The Group is exposed to equity price risk mainly arising from individual financial assets included in financial assets at fair value through other comprehensive income (Note 24) and financial assets at fair value through profit or loss (Note 25) as at 31 December 2020. The Group's listed financial assets are mainly listed on stock exchanges in Hong Kong, the Republic of Singapore and New York and are valued at quoted market prices at the end of the reporting period.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Equity price risk (continued)

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day to the end of the reporting period, and their respective highest and lowest points during the period/year were as follows:

	31 December 2020	High/Low Nine months ended 31 December 2020	31 March 2020	High/Low Year ended 31 March 2020
Hong Kong — Hang Seng Index	**27,231**	**27,341/22,519**	23,603	30,281/21,139
Republic of Singapore — Straits Times Index	**2,844**	**2,921/2,380**	2,481	3,416/2,208
New York — NYSE Composite Index	**14,525**	**14,534/9,766**	10,302	14,184/8,664

The senior management of the Group regularly reviews and monitors the mix of securities in the Group's investment portfolio based on the fair value to ensure the loss arising from the changes in the market values of the investment portfolios is capped within an acceptable range.

The following table demonstrates the sensitivity to every 3% change in the fair values of the equity investments and investment funds, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the investments at fair value through other comprehensive income, the impact is deemed to be on the fair value reserve of financial assets at FVOCI.

	Nine months ended 31 December 2020				Year ended 31 March 2020			
	3% increase		3% decrease		3% increase		3% decrease	
	Increase in profit before tax HK$'000	Increase in equity* HK$'000	Decrease in profit before tax HK$'000	Decrease in equity* HK$'000	Increase in profit before tax HK$'000	Increase in equity* HK$'000	Decrease in profit before tax HK$'000	Decrease in equity* HK$'000
Financial assets at fair value through other comprehensive income								
Hong Kong	**–**	**26**	**–**	**(26)**	–	81	–	(81)
Republic of Singapore	**–**	**360**	**–**	**(360)**	–	230	–	(230)
Global and others	**–**	**2,704**	**–**	**(2,704)**	–	2,858	–	(2,858)
	–	**3,090**	**–**	**(3,090)**	–	3,169	–	(3,169)
Financial assets at fair value through profit or loss								
Hong Kong	**6,855**	**–**	**(6,855)**	**–**	6,837	–	(6,837)	–
Republic of Singapore	**3,898**	**–**	**(3,898)**	**–**	3,796	–	(3,796)	–
United States of America	**4,181**	**–**	**(4,181)**	**–**	2,499	–	(2,499)	–
Global and others	**15,288**	**–**	**(15,288)**	**–**	11,117	–	(11,117)	–
	30,222	**–**	**(30,222)**	**–**	24,249	–	(24,249)	–

* Excluding retained profits

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(f) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

A subsidiary of the Company is regulated by the Securities and Futures Commission (the "SFC") and is required to comply with certain minimum capital requirements according to the rules of the SFC. Management monitors, on a daily basis, the subsidiary's liquid capital to ensure it meets the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rule.

No changes were made in the objectives, policies or processes for managing capital during the nine months ended 31 December 2020 and the year ended 31 March 2020.

The Group monitors capital using a gearing ratio, which is calculated by dividing its total borrowings, net of non-controlling interests, by equity attributable to equity holders of the Company. Total borrowings include current and non-current bank and other borrowings.

	31 December 2020 HK$'000	31 March 2020 HK$'000
Bank and other borrowings *(Note 32)*	**1,965,960**	1,939,623
Less: Non-controlling interests in bank and other borrowings	**(433,767)**	(423,576)
Bank and other borrowings, net of non-controlling interests	**1,532,193**	1,516,047
Equity attributable to equity holders of the Company	**9,601,229**	9,508,184
Gearing ratio	**16.0%**	15.9%

46. COMPARATIVE AMOUNTS

(a) The comparative statement of profit or loss has been re-presented as if the operation discontinued during the current period had been discontinued at the beginning of the comparative period (Note 14).

(b) Certain comparative amounts have been reclassified to conform with the current period's presentation and disclosures.

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	31 December 2020 HK$'000	31 March 2020 HK$'000
Non-current assets		
Fixed assets	**705**	18
Interests in subsidiaries	**3,761,534**	3,599,232
	3,762,239	3,599,250
Current assets		
Debtors, prepayments and other assets	**826**	790
Cash and cash equivalents	**5,799**	56,888
	6,625	57,678
Current liabilities		
Bank and other borrowings	**149,756**	224,850
Creditors, accruals and other liabilities	**22,713**	2,710
	172,469	227,560
Net current liabilities	**(165,844)**	(169,882)
Total assets less current liabilities	**3,596,395**	3,429,368
Non-current liabilities		
Bank and other borrowings	**496,578**	378,413
Net assets	**3,099,817**	3,050,955
Equity		
Share capital	**984,440**	984,440
Reserves *(Note)*	**2,115,377**	2,066,515
	3,099,817	3,050,955

John Luen Wai Lee
Director

Stephen Riady
Director

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Special capital reserve *(Note 36(a))* HK$'000	Retained profits HK$'000	Total HK$'000
Nine months ended 31 December 2020			
At 1 April 2020	**1,709,202**	**357,313**	**2,066,515**
Profit and total comprehensive income for the period	**–**	**93,246**	**93,246**
2019/2020 final dividend	**–**	**(24,658)**	**(24,658)**
2020 interim dividend	**–**	**(19,726)**	**(19,726)**
At 31 December 2020	**1,709,202**	**406,175**	**2,115,377**
Year ended 31 March 2020			
At 1 April 2019	1,709,202	236,560	1,945,762
Profit and total comprehensive income for the year	–	165,137	165,137
2018/2019 final dividend	–	(24,658)	(24,658)
2019/2020 interim dividend	–	(19,726)	(19,726)
At 31 March 2020	1,709,202	357,313	2,066,515

Included in the retained profits of the Company as at 31 December 2020 was an amount of final dividend for the nine months ended 31 December 2020 of HK$14,795,000 (year ended 31 March 2020 — HK$24,658,000) proposed after the end of the reporting period.

48. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 30 March 2021.

Particulars of Principal Subsidiaries

PARTICULARS OF PRINCIPAL SUBSIDIARIES AS AT 31 DECEMBER 2020 ARE SET OUT BELOW.

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)[#]		Principal activities
Acematic Limited	British Virgin Islands	US$1	100	100	Investment holding
Creaworld (Holdings) Company Limited	Hong Kong	HK$2	–	100	Investment holding
福建華陽湄洲開發有限公司 (Fujian Creaworld Meizhou Development Co., Ltd.) — wholly foreign-owned enterprise[##]	People's Republic of China	HK$116,200,000*	–	100	Property investment and property development
Hennessy Holdings Limited	British Virgin Islands	US$1	–	100	Investment holding
Skyscraper Realty Limited	British Virgin Islands	US$10	–	100	Investment holding
Lippo China Resources Limited *(listed on The Stock Exchange of Hong Kong Limited)*	Hong Kong	HK$1,704,031,044.03	–	74.99	Investment holding
Admiralty Development Limited	Hong Kong	HK$446,767,129	–	74.99	Property investment
Ally Wise Capital Limited	British Virgin Islands	US$1	–	74.99	Investment
Apexwin Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Asia Now Resources Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Cajan Enterprises Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Caross Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Castar Assets Limited	British Virgin Islands	US$1	–	74.99	Property investment
Chalton Assets Limited	British Virgin Islands	US$1	–	74.99	Property investment
China Chance Investments Limited	Hong Kong	HK$10	–	74.99	Investment holding

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
China Gold Pte. Ltd.	Republic of Singapore	S$1	–	74.99	Investment holding
China Pacific Electric Limited	British Virgin Islands	US$100	–	74.99	Investment holding
Continental Equity Inc.	British Virgin Islands	US$1	–	74.99	Investment
DXS Capital (U.S.) Limited	United States of America	US$1.221	–	74.99	Investment holding
Direct Union Limited	British Virgin Islands	US$1	–	74.99	Investment
Dragon Board Holdings Limited	British Virgin Islands	S$1	–	74.99	Investment holding
Dukestown Sp. z o.o.	Poland	PLN600,000	–	74.99	Property investment
Energetic Holdings Limited	British Virgin Islands	US$1	–	74.99	Property investment
Ethnos Ltd.	Israel	NIS100	–	74.99	Property investment
Fortune Finance Investment Limited	British Virgin Islands	US$1	–	74.99	Investment
Fortune Star Asia Limited	Hong Kong	HK$1	–	74.99	Investment
福建莆田忠信物業管理有限公司 (Fujian Putian Zhong Xin Property Management Limited) — wholly foreign-owned re-invested enterprise##	People's Republic of China	RMB810,000*	–	74.99	Property management
福州力寶商業顧問有限公司 (Fuzhou Lippo Commercial Consultants Limited) — wholly foreign-owned enterprise##	People's Republic of China	HK$100,000*	–	74.99	Real estate leasing and agency services, and consultancy services
Gabarro Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Gain Motion International Limited	Hong Kong	HK$1	–	74.99	Investment

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Gentle Care Pte. Ltd.	Republic of Singapore	S$1	–	74.99	Investment holding
Golden Sunshine Worldwide Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Golden Super Holdings Limited	British Virgin Islands	US$1	–	74.99	Investment
Goldmax Pacific Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Grandbeam Limited	Hong Kong	HK$1	–	74.99	Investment holding
Grand Vista Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Hongkong China Treasury Limited	British Virgin Islands/ Hong Kong	US$1	–	74.99	Securities investment
Innovation Lab Technology Pte. Ltd.	Republic of Singapore	S$1	–	74.99	Software product development
Integral Fortress Limited	British Virgin Islands	US$1	–	74.99	Investment
Istan Assets Limited	British Virgin Islands	US$1	–	74.99	Property investment
JB Property Holdings Pte. Ltd.	Republic of Singapore	S$1	–	74.99	Property investment
Kaiser Union Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Keytime Holdings Limited	British Virgin Islands	US$1	–	74.99	Property investment
Kingz Ltd	British Virgin Islands	US$1	–	74.99	Investment holding
LCR Ltd.	British Virgin Islands	US$1	–	74.99	Intellectual property
LCR Management Limited	Hong Kong	HK$1	–	74.99	Management services
Laurel Century Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Liberty Town Holding Limited	British Virgin Islands/ Hong Kong	US$1	–	74.99	Property investment

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Lippo Consortium Pte. Limited	Republic of Singapore	S$2	–	74.99	Property development
Lippo Finance Holdings Limited	British Virgin Islands	US$50,000	–	74.99	Investment holding
Lippo Group International Pte. Limited	Republic of Singapore	S$2	–	74.99	Investment holding
Lippo Investments Management Limited	Hong Kong	HK$87,700,000	–	74.99	Fund management and investment management services
Lippo Property Management Limited	British Virgin Islands/ Hong Kong	US$1	–	74.99	Investment holding
Lippo Retail Holdings Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Mantor Assets Limited	British Virgin Islands	US$1	–	74.99	Property investment
Masstrong Limited	Hong Kong	HK$1	–	74.99	Investment holding
Mastafield Limited	British Virgin Islands/ Hong Kong	US$1	–	74.99	Property investment
Maxfit Holding Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Netscope Limited	British Virgin Islands	US$1	–	74.99	Investment
New Grandeur Development Limited	Hong Kong	HK$1	–	74.99	Management services
Northville Global Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Oriental Coronet Limited	British Virgin Islands	US$1	–	74.99	Investment
PacNet Capital (U.S.) Limited	United States of America	US$1.603	–	74.99	Investment holding
Pantogon Holdings Pte Ltd	Republic of Singapore	S$1,000,000	–	74.99	Investment holding
Premier Asia Limited	British Virgin Islands	US$1	–	74.99	Investment holding

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
莆田力寶商業顧問有限公司 (Putian Lippo Commercial Consultants Limited) — wholly foreign-owned enterprise##	People's Republic of China	RMB2,000,000*	–	74.99	Commercial consulting
莆田塔林基礎建設有限公司 (Putian Talin Infrastructure Co., Ltd.) — wholly foreign-owned enterprise##	People's Republic of China	US$300,000*	–	74.99	Property services
Powerful Arch Limited	British Virgin Islands/ Hong Kong	US$1	–	74.99	Investment
Queenz Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Radical Profits Limited	British Virgin Islands	US$1	–	74.99	Property investment
Reiley Inc.	British Virgin Islands	US$1	–	74.99	Investment holding
Rickon Holdings Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Rock Phoenix Limited	British Virgin Islands	US$1	–	74.99	Property investment
Season Spark Limited	British Virgin Islands/ Hong Kong	US$1	–	74.99	Investment
Serene Yield Limited	British Virgin Islands/ Hong Kong	US$1	–	74.99	Property investment
Star Heaven Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Star Trendy Limited	British Virgin Islands/ Hong Kong	US$1	–	74.99	Property holding

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Starford Corporation Limited	Hong Kong	HK$1	–	74.99	Investment
Super Assets Company Limited	Samoa	US$1	–	74.99	Investment holding
Super Equity International Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Tamsett Holdings Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Topstar China Limited	Hong Kong	HK$1	–	74.99	Investment holding
Trefar Enterprises Limited	British Virgin Islands	US$1	–	74.99	Property investment
Vitaland Limited	Hong Kong	HK$1	–	74.99	Investment holding
Waterloo Street Limited	British Virgin Islands	US$1	–	74.99	Financing
West Tower Holding Limited	British Virgin Islands/ Hong Kong	US$1	–	74.99	Property investment
Win Joyce Limited	Hong Kong	HK$2	–	74.99	Money lending
Winplace Global Limited	British Virgin Islands	US$1	–	74.99	Investment holding
Wollora Assets Limited	British Virgin Islands	US$1	–	74.99	Property investment
World Grand Holding Limited	British Virgin Islands/ Hong Kong	US$1	–	74.99	Investment
Writring Investments Limited	Hong Kong	HK$2	–	74.99	Property investment
Lippo Select HK & Mainland Property ETF *(an exchange traded fund listed on The Stock Exchange of Hong Kong Limited)*	Hong Kong	N/A	–	66.26@	Investment
Jeremiah Holdings Limited	British Virgin Islands	S$1,298,645	–	44.99	Investment holding
Nine Heritage Pte Ltd	Republic of Singapore	S$1,000,000	–	36.00	Investment holding

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Auric Pacific Group Limited	Republic of Singapore	S$60,251,954	–	30.17	Investment holding
Auric Pacific Food Industries Pte Ltd	Republic of Singapore	S$34,400,000	–	30.17	General wholesale and trade in food products
Food Retail Asia Ltd	Republic of Singapore	S$18,058,100	–	30.17	Management and holding company, development and sale of franchising activities
Superfood Retail Limited	British Virgin Islands	US$2,048,260	–	30.17	Investment holding
Cuisine Continental Group (HK) Limited	Hong Kong	HK$12,000,000	–	30.17	Selling of food and beverages, the operation of cafés and kiosk and the provision of catering services
Cuisine Continental (HK) Limited	Hong Kong	HK$3,000,000	–	30.17	Selling of food and beverages, the operation of restaurants and the wholesale business
Cuisine Creations Pte. Ltd.	Republic of Singapore	S$2	–	30.17	Management and holding company and the development and sale of its subsidiary's franchising activities
Maxx Coffee Singapore Pte. Ltd.	Republic of Singapore	S$4,000,002	–	30.17	Manufacture and sale of bakery and pastry products and the operation of café-bakeries and bakery corners
Sunshine Bread Sdn. Bhd. (formerly known as Auric Flavours Sdn. Bhd.)	Malaysia	RM25,000,002	–	30.17	Supply of bakery products
LCR Catering Services Limited	Hong Kong	HK$9,000,000	–	27.15	Owns and operates a restaurant in Hong Kong

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)		Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#	Principal activities
Hongkong Chinese Limited *(listed on The Stock Exchange of Hong Kong Limited)*	Bermuda/ Hong Kong	HK$1,998,280,097	–	73.95	Investment holding
Beaming Empire Limited	British Virgin Islands	US$1	–	73.95	Investment holding
Capital Place International Limited	British Virgin Islands/ Republic of the Philippines	US$50,000	–	73.95	Property investment
成都力寶置業有限公司 (Chengdu Lippo Realty Limited) — wholly foreign-owned enterprise##	People's Republic of China	US$3,000,000*	–	73.95	Property investment and management
Conrich Inc.	British Virgin Islands	US$1	–	73.95	Investment holding
Everwin Pacific Ltd.	British Virgin Islands	US$1	–	73.95	Property investment
Fairseas 1 Pte. Ltd.	Republic of Singapore	S$1	–	73.95	Owner of a motor yacht
Fiatsco Limited	British Virgin Islands	US$1	–	73.95	Investment holding
Golden Stellar Limited	British Virgin Islands	US$1	–	73.95	Investment holding
HCL Management Limited	Hong Kong	HK$1	–	73.95	Management services
HKC Property Investment Holdings Limited	British Virgin Islands/ Hong Kong	US$1	–	73.95	Investment holding
HKC Realty LLC	United States of America	US$2,250,000**	–	73.95	Property investment
Hong Kong Housing Loan Limited	Hong Kong	HK$40,000,000	–	73.95	Money lending
Lippo Asia Limited	Hong Kong	HK$120,000,000	–	73.95	Investment holding

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Lippo Cybergroup Limited	Hong Kong	HK$2	–	73.95	Investment holding
Lippo Securities, Inc.	Republic of the Philippines	Pesos 69,500,000	–	73.95	Investment holding
Mass Empire Limited	Hong Kong	HK$1	–	73.95	Investment
MGS Ltd.	British Virgin Islands	US$1	–	73.95	Investment holding
Norfyork International Limited	Hong Kong	HK$25,000,000	–	73.95	Investment holding
One Realty Pte. Limited	Republic of Singapore	S$2	–	73.95	Investment holding and provision of project and management services
Pacific Bond Limited	British Virgin Islands	US$1	–	73.95	Investment holding
Polar Step Limited	British Virgin Islands/ Hong Kong	US$1	–	73.95	Investment
Sinogain Asia Limited	British Virgin Islands	US$1	–	73.95	Property investment
Sinorite Limited	British Virgin Islands/ Hong Kong	US$1	–	73.95	Investment
Stargala Limited	British Virgin Islands	US$1	–	73.95	Property investment
Uchida Limited	British Virgin Islands/ Hong Kong	US$1	–	73.95	Investment holding
Wealtop Limited	British Virgin Islands/ Hong Kong	US$1	–	73.95	Investment holding

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Winluck Asia Limited	British Virgin Islands	US$1	–	73.95	Property investment
Winluck Pacific Limited	British Virgin Islands	US$1	–	73.95	Property investment
Winrider Limited	British Virgin Islands	US$1	–	73.95	Investment holding
Yield Point Limited	British Virgin Islands	US$1	–	73.95	Investment holding
北京力寶世紀置業有限公司 (Beijing Lippo Century Realty Co., Ltd.) — Chinese-foreign cooperative joint venture enterprise##	People's Republic of China	US$14,000,000*	–	59.16^	Property development

\# based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein
@ based on the interest attributable to the Group
^ profit sharing ratio
\## type of legal entity
* paid up registered capital
** paid up capital contribution

Note:

NIS — New Israeli shekels
PLN — Poland zlotys
Pesos — Philippines pesos
RM — Malaysian ringgits
RMB — People's Republic of China renminbi
S$ — Singapore dollars
US$ — United States dollars

As at 31 December 2020, all the subsidiaries of the Company had no loan capital or convertible loan capital.

The above table includes the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the period or formed a substantial portion of the net assets of the Group. To give details of all subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

Particulars of Principal Associates

PARTICULARS OF PRINCIPAL ASSOCIATES AS AT 31 DECEMBER 2020 ARE SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Group (unless otherwise stated)#	Principal activities
Standard Pacific Limited	Corporate	Hong Kong	HK$4,290,000	50	Investment holding
Lippo-Savills Property Management Limited	Corporate	Hong Kong	HK$2	37.50	Property management services
Greenix Limited	Corporate	British Virgin Islands	US$100,000	36.98	Investment holding
Lippo Marina Collection Pte. Ltd.	Corporate	Republic of Singapore	S$1,000,000	36.98	Property development
Healthway Medical Corporation Limited	Corporate	Republic of Singapore	S$277,433,000	30.68	Healthcare services
莆田華正自來水有限公司 (Putian Hua Zheng Water Co., Ltd.)	Equity joint venture enterprise	People's Republic of China	RMB9,250,000*	30.00	Water supply
TIH Limited	Corporate	Republic of Singapore	S$56,650,000	29.94	Private equity investment
Goldfix Pacific Ltd.	Corporate	British Virgin Islands	US$16,286.6	27.24	Investment holding
Catalyst Enterprises Limited	Corporate	British Virgin Islands	US$50,000	26.25	Investment holding
Moolahgo Pte. Ltd.	Corporate	Republic of Singapore	*Note (b)*	*Note (b)*	Digital financial services

\# *based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein*

* *paid up registered capital*

Note:

(a) *RMB — People's Republic of China renminbi*
S$ — Singapore dollars
US$ — United States dollars

(b) *Its issued share capital comprised of (i) S$179,840 ordinary share capital; (ii) S$216,922 non-voting preference share capital; and (iii) US$3,349,510.70 non-voting preference share capital. The Group, through its non-wholly owned subsidiaries, was interested in approximately 86.81% of its non-voting preference share capital.*

The above table includes the associates of the Company which, in the opinion of the Directors, principally affected the results for the period or formed a substantial portion of the net assets of the Group. To give details of all associates would, in the opinion of the Directors, result in particulars of excessive length.

Particulars of Principal Joint Ventures

PARTICULARS OF PRINCIPAL JOINT VENTURES AS AT 31 DECEMBER 2020 ARE SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Group (unless otherwise stated)#	Principal activities
Tanglin Residential Pte. Ltd.	Corporate	Republic of Singapore	S$2	37.50	Property investment and property development
Vasily Asia Limited	Corporate	British Virgin Islands	US$100	37.50	Investment
Bell Eastern Limited	Corporate	British Virgin Islands/ Hong Kong	S$2,000,000	36.98	Property investment
Lippo Real Estate Pte. Limited	Corporate	Republic of Singapore	S$2	36.98	Property development
Sunning Asia Limited	Corporate	British Virgin Islands	US$50,000	36.98	Investment holding
Yamoo Bay Project Limited	Corporate	British Virgin Islands	US$2	36.98	Investment holding
Collyer Quay Limited	Corporate	Cayman Islands	*Note (b)*	*Note (b)*	Investment holding
Lippo ASM Asia Property Limited	Corporate	Cayman Islands	US$1,200	*Note (c)*	Investment holding

\# *based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein*

Note:

(a) S$ — Singapore dollars
US$ — United States dollars

(b) Its issued share capital comprised of (i) 100 management shares of US$1.00 each; and (ii) 100 participating shares of US$0.01 each, of which the Group, through its non-wholly owned subsidiaries, was interested in 50 management shares and 60 participating shares which entitled the Group, through its non-wholly owned subsidiaries, to 50% of the voting rights and 60% of the dividend and distribution of this company.

(c) Its issued share capital comprised of (i) 800 voting, non-participating class "A" shares of US$1.00 each; (ii) 200 non-voting, participating class "B" shares of US$1.00 each; and (iii) 200 non-voting, participating class "C" shares of US$1.00 each. The Group, through its non-wholly owned subsidiaries, was interested in 50% of all the class "A" shares in issue and 100% of all the class "B" shares in issue which entitled the Group, through its non-wholly owned subsidiaries, to 50% of the voting rights and approximately 94.26% of the profit sharing of this company.

Particulars of Joint Operation

PARTICULARS OF JOINT OPERATION AS AT 31 DECEMBER 2020 ARE SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operation	Registered capital	Approximate percentage of interest attributable to the Group#	Principal activity
雲南東鑫礦產勘查有限公司 (Yunnan Dong Xin Mineral Exploration Company Limited)	Chinese-foreign cooperative joint venture enterprise	People's Republic of China	US$14,900,000*	54.00	Exploration of mineral resources

represents the effective interest of the Group after non-controlling interests therein
* *of which approximately US$14,360,000 has been injected*

Note:

US$ — United States dollars

Schedule of Major Properties

(1) PROPERTIES HELD FOR INVESTMENT AS AT 31 DECEMBER 2020

Description	Use	Approximate gross floor area	Status	Approximate percentage of the Group's interest
		(square metres)		
Hong Kong				
Lippo Centre 89 Queensway Central Inland Lot No. 8615	Commercial	1,095 (net floor area)	Rental	74.99
The above property is held under long term lease.				
People's Republic of China				
19th Floor to 29th Floor and 13 car parking spaces of Lippo Tianma Plaza 1 Wuyibei Road Fuzhou, Fujian	Commercial	11,955	Rental	74.99
5 floors of Unit 1 Building 1, Lippo Tower 62 North Kehua Road Wuhou District Chengdu	Commercial	5,421	Rental	73.95
The above properties are held under medium term leases.				

(1) PROPERTIES HELD FOR INVESTMENT AS AT 31 DECEMBER 2020 *(continued)*

Description	Use	Approximate gross floor area	Status	Approximate percentage of the Group's interest
		(square metres)		
Overseas				
353 Pasir Panjang Road #05-02, #05-03 and #05-05 Jubilee Residence Singapore 118695	Residential	711	Rental	74.99
10 Harav Agan Street Jerusalem Block 30050 Parcel 101 Israel	Commercial	940	Rental	74.99
31st Floor Rufino Pacific Tower Ayala Avenue Corner Herrera Street, Makati Metropolitan Manila Republic of the Philippines	Commercial	885	Rental	73.95
522 S. Sepulveda Boulevard Los Angeles, CA 90049 United States of America	Commercial	925	Rental	73.95

The above properties are freehold.

Description	Use	Approximate gross floor area	Status	Approximate percentage of the Group's interest
21 Marina Way #26-16 Marina One Residences Singapore 018978	Residential	104	Rental	73.95

The above property is held under long term lease.

(2) PROPERTIES HELD FOR SALE AS AT 31 DECEMBER 2020

Description	Use	Approximate site area	Approximate gross floor area	Approximate percentage of the Group's interest
		(square metres)	*(square metres)*	
People's Republic of China				
Certain units and car parking spaces at No. 8 Ronghua Middle Road Yizhuang Beijing Economic-Technological Development Area (北京經濟技術開發區) Beijing	Commercial/ Residential	N/A	14,989	59.16
Overseas				
854 West Adams Boulevard Los Angeles CA 90007 United States of America	Residential	1,142	723	73.95

(3) PROPERTIES HELD FOR DEVELOPMENT AS AT 31 DECEMBER 2020

Description	Use	Approximate site area	Approximate gross floor area	Approximate percentage of the Group's interest	Estimated completion date	Stage of development as at 31 December 2020
		(square metres)	*(square metres)*			
People's Republic of China						
Meizhou Island Putian Fujian	Tourism/ Commercial	1,207,700	26,848	100	N/A	Phase I substantially completed
Overseas						
3 pieces of land at Minakami Heights Golf Residence Gumma Japan	Residential	12,484	N/A	73.95	N/A	Vacant land

(4) PROPERTIES HELD AS FIXED ASSETS AS AT 31 DECEMBER 2020

Description	Use	Approximate gross floor area	Approximate percentage of the Group's interest
		(square metres)	
Hong Kong			
Lippo Centre 89 Queensway Central Inland Lot No. 8615	Commercial	2,780 (net floor area)	74.99
2nd Floor of Sun Court 3 Belcher's Street Kennedy Town Subsection 1 of Section C of Marine Lot No. 262, the remaining portion of Section C of Marine Lot No. 262 and the remaining portion of Marine Lot No. 262	Commercial	743	74.99
3 units and 3 car parking spaces of Celestial Garden 5 Repulse Bay Road Rural Building Lot No. 979	Residential	660	74.99
The above properties are held under long term leases.			
Overseas			
2 Senoko Avenue Singapore 758298 Lot No. MK13-2293K	Commercial	7,387	30.17
The above property is held under short term lease.			
No. 2 and 3, Jalan Teknologi 6 Kawasan Perindustrian Taman Teknologi 2 71760 Bandar Enstek Negeri Sembilan Darul Khusus Malaysia	Industrial	31,910	30.17
The above property is freehold.			

Summary of Financial Information

	Nine months ended 31 December 2020 HK$'000	Year ended 31 March 2020 HK$'000	Year ended 31 March 2019 HK$'000	Year ended 31 March 2018 HK$'000 (Restated)*	Year ended 31 March 2017 HK$'000
Profit/(Loss) attributable to equity holders of the Company	**(675,325)**	(10,315)	(112,191)	92,290	255,963
Total assets	**16,323,635**	16,157,585	18,697,628	19,561,748	18,484,016
Total liabilities	**(2,683,918)**	(2,629,066)	(3,486,170)	(4,383,529)	(4,269,279)
Net assets	**13,639,717**	13,528,519	15,211,458	15,178,219	14,214,737
Non-controlling interests	**(4,038,488)**	(4,020,335)	(5,001,511)	(4,845,218)	(5,171,412)
Equity attributable to equity holders of the Company	**9,601,229**	9,508,184	10,209,947	10,333,001	9,043,325

* The Group had made certain retrospective adjustments to the financial information for the year ended 31 March 2018 following the completion of the purchase price allocation review in respect of the acquisition of equity interest of the Group's associate. Details regarding the adjustments made are provided in Note 49(b) to the financial statements for the year ended 31 March 2019.

Supplementary Financial Information

DISCLOSURE PURSUANT TO RULE 13.22 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

Set out below is a pro forma combined statement of financial position of the Group's affiliates as at 31 December 2020 (being the latest practicable date for determining the relevant figures) required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited:

	HK$'000
Pro forma combined statement of financial position	
Intangible assets	**1,466,945**
Fixed assets	**4,038,842**
Investment properties	**26,626,264**
Right-of-use assets	**387,301**
Interests in equity-accounted investees	**6,382,252**
Properties held for sale	**633,277**
Financial assets at fair value through other comprehensive income	**886,140**
Financial assets at fair value through profit or loss	**1,031,424**
Debtors, prepayments and other assets	**1,545,534**
Cash and cash equivalents	**4,134,591**
Assets classified as held for sale	**7,380,166**
Other assets	**410,979**
Bank and other borrowings	**(22,103,269)**
Lease liabilities	**(245,528)**
Creditors, accruals and other liabilities	**(1,886,203)**
Tax payable	**(268,488)**
Shareholders' advance	**(3,697,133)**
Deferred tax liabilities	**(925,226)**
Other financial liabilities	**(240,315)**
Non-controlling interests	**(16,115,953)**
	9,441,600
Group's attributable interest *(Note)*	**11,417,626**

Note: The Group's attributable interest represents that portion attributable to the Group before non-controlling interests included therein.

Lippo Limited

力寶有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 226)