



Lippo China Resources Limited
力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 156)

2021 INTERIM REPORT

Contents

	Page
Condensed Consolidated Statement of Profit or Loss	2
Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Interim Financial Statements	8
Business Review and Prospects	27
Additional Information	36
Corporate Information	44



The Directors of Lippo China Resources Limited (the “Company”) are pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2021.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2021

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

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

	Unaudited	
	Six months ended 30 June 2021 HK\$'000	30 September 2020 HK\$'000
Profit/(Loss) for the period	152,762	(55,370)
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	(3,539)	24,664
Share of other comprehensive income/(loss) of associates	(11,451)	26,451
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax	(14,990)	51,115
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity instruments at fair value through other comprehensive income	(61,199)	163
Other comprehensive income/(loss) for the period, net of tax	(76,189)	51,278
Total comprehensive income/(loss) for the period	76,573	(4,092)
Attributable to:		
Equity holders of the Company	97,669	(2,490)
Non-controlling interests	(21,096)	(1,602)
	76,573	(4,092)

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Note	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Non-current assets			
Intangible assets		21,034	21,034
Exploration and evaluation assets		2,050	1,370
Fixed assets		1,079,052	1,097,645
Investment properties		682,034	673,670
Right-of-use assets		158,934	127,586
Interests in associates		788,386	767,809
Interests in joint ventures	11	74,764	74,477
Financial assets at fair value through other comprehensive income		40,718	102,896
Financial assets at fair value through profit or loss		549,484	468,796
Debtors, prepayments and other assets	12	10,651	10,615
Other financial asset		1,449	1,199
Deferred tax assets		3,163	4,815
		3,411,719	3,351,912
Current assets			
Inventories		15,826	15,839
Debtors, prepayments and other assets	12	158,172	188,848
Financial assets at fair value through profit or loss		620,268	564,304
Tax recoverable		1,622	2,698
Restricted cash	13	–	55,844
Time deposits with original maturity of more than three months		74,480	73,034
Cash and cash equivalents		689,916	996,714
		1,560,284	1,897,281
Current liabilities			
Bank and other borrowings	13	232,843	457,858
Lease liabilities		46,392	43,298
Creditors, accruals and other liabilities	14	209,812	272,312
Other financial liabilities		16,709	23,519
Tax payable		120,139	122,631
		625,895	919,618
Net current assets		934,389	977,663
Total assets less current liabilities		4,346,108	4,329,575

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2021

	Note	30 June 2021 HK\$'000 (Unaudited)	31 December 2020 HK\$'000 (Audited)
Non-current liabilities			
Bank and other borrowings	13	657,927	716,352
Lease liabilities		120,578	91,713
Creditors, accruals and other liabilities	14	11,359	9,418
Other financial liability		745	1,343
Deferred tax liabilities		28,781	28,606
		819,390	847,432
Net assets		3,526,718	3,482,143
Equity			
Equity attributable to equity holders of the Company			
Share capital	15	1,705,907	1,705,907
Reserves		1,483,166	1,417,651
		3,189,073	3,123,558
Non-controlling interests		337,645	358,585
		3,526,718	3,482,143

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Unaudited							
	Attributable to equity holders of the Company							
	Share capital HK\$'000	Fair value reserve of financial assets at FVOCI* HK\$'000	Other assets revaluation reserve HK\$'000	Exchange equalisation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2021	1,705,907	(132,167)	2,790	92,650	1,454,378	3,123,558	358,585	3,482,143
Profit/(Loss) for the period	-	-	-	-	167,779	167,779	(15,017)	152,762
Other comprehensive income/(loss) for the period:								
Exchange differences on translation of foreign operations	-	-	-	2,512	-	2,512	(6,051)	(3,539)
Changes in fair value of equity instruments at fair value through other comprehensive income	-	(61,171)	-	-	-	(61,171)	(28)	(61,199)
Share of other comprehensive loss of associates	-	-	-	(11,451)	-	(11,451)	-	(11,451)
Total comprehensive income/(loss) for the period	-	(61,171)	-	(8,939)	167,779	97,669	(21,096)	76,573
Transfer of fair value reserve upon disposal of a subsidiary	-	19	-	-	(19)	-	-	-
2020 final dividend declared and paid to shareholders of the Company	-	-	-	-	(32,154)	(32,154)	-	(32,154)
Unclaimed dividends to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	156	156
At 30 June 2021	1,705,907	(193,319)	2,790	83,711	1,589,984	3,189,073	337,645	3,526,718
At 1 April 2020	1,705,907	(133,018)	2,790	23,181	1,565,641	3,164,501	359,809	3,524,310
Loss for the period	-	-	-	-	(37,603)	(37,603)	(17,767)	(55,370)
Other comprehensive income for the period:								
Exchange differences on translation of foreign operations	-	-	-	8,568	-	8,568	16,096	24,664
Changes in fair value of equity instruments at fair value through other comprehensive income	-	94	-	-	-	94	69	163
Share of other comprehensive income of associates	-	-	-	26,451	-	26,451	-	26,451
Total comprehensive income/(loss) for the period	-	94	-	35,019	(37,603)	(2,490)	(1,602)	(4,092)
2019/2020 final dividend declared and paid to shareholders of the Company	-	-	-	-	(45,935)	(45,935)	-	(45,935)
2019/2020 special final dividend declared and paid to shareholders of the Company	-	-	-	-	(27,561)	(27,561)	-	(27,561)
At 30 September 2020	1,705,907	(132,924)	2,790	58,200	1,454,542	3,088,515	358,207	3,446,722

* FVOCI stands for fair value through other comprehensive income.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Unaudited	
	Six months ended 30 June 2021 HK\$'000	30 September 2020 HK\$'000
Net cash flows from/(used in) operating activities	33,336	(9,259)
Cash flows from investing activities		
Payments to acquire fixed assets	(21,095)	(41,118)
Payments to acquire financial assets at fair value through profit or loss	(3,923)	(27,287)
Distribution from financial assets at fair value through profit or loss	10,882	6,577
Advances to a joint venture	(174)	(42,335)
Other net cash flows arising from investing activities	(1,730)	(5,837)
Net cash flows used in investing activities	(16,040)	(110,000)
Cash flows from financing activities		
Drawdown of bank and other borrowings	40,000	617,421
Repayment of bank and other borrowings	(318,142)	(340,000)
Principal portion of lease payments	(25,862)	(27,713)
Dividends paid to shareholders of the Company	(50,528)	(73,496)
Decrease/(Increase) in restricted cash	54,962	(72)
Other net cash flows arising from financing activities	(20,794)	(16,958)
Net cash flows from/(used in) financing activities	(320,364)	159,182
Net increase/(decrease) in cash and cash equivalents	(303,068)	39,923
Cash and cash equivalents at beginning of period	994,515	981,788
Exchange realignments	(1,531)	9,995
Cash and cash equivalents at end of period	689,916	1,031,706

Notes to the Interim Financial Statements

1. BASIS OF PREPARATION

The interim financial statements are unaudited, condensed and have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the nine months ended 31 December 2020.

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

The financial information relating to the nine months ended 31 December 2020 that is included in the interim financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that period but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the nine months ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim financial statements are consistent with those used in the Group’s audited financial statements for the nine months ended 31 December 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations (hereinafter collectively referred to as the “revised HKFRSs”) for the first time for the current period’s financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform — Phase 2</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

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

Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

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

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

3. SEGMENT INFORMATION

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

- (a) the property investment segment includes investments relating to the letting and resale of properties;
- (b) the treasury investment segment includes investments in money markets;
- (c) the securities investment segment includes investments in securities that are held for trading and for long-term strategic purposes;
- (d) the food businesses segment mainly includes food manufacturing and food retail operations in chains of cafés and bistros;
- (e) the healthcare services segment includes the provision of healthcare management services; and
- (f) the "other" segment comprises principally development and sale of properties, mineral exploration and extraction, the provision of property, fund and investment management services and investment in a closed-end fund.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss) and comprises segment results of the Company and its subsidiaries, the Group's share of results of associates and joint ventures.

Segment results are measured consistently with the Group's profit/(loss) before tax except that the Group's share of results of associates and joint ventures, unallocated corporate expenses and certain finance costs are excluded from such measurement.

Segment assets exclude interests in associates and joint ventures, deferred tax assets, tax recoverable and other head office and corporate assets which are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other head office and corporate liabilities which are managed on a group basis.

Inter-segment transactions are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Interim Financial Statements (Continued)

3. SEGMENT INFORMATION (Continued)

Six months ended 30 June 2021

	Property investment HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Food businesses HK\$'000	Healthcare services HK\$'000	Other HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
Revenue								
External	8,799	1,230	10,291	293,704	-	6,839	-	320,863
Inter-segment	1,928	-	-	-	-	2,436	(4,364)	-
Total	10,727	1,230	10,291	293,704	-	9,275	(4,364)	320,863
Segment results	7,019	1,230	210,499	(37,273)	(987)	(7,709)	(86)	172,693
Unallocated corporate expenses								(45,258)
Finance costs								(9,170)
Share of results of associates	-	-	-	-	12,895	25,349	-	38,244
Share of results of joint ventures	-	-	-	(385)	-	(13)	-	(398)
Profit before tax								156,111
Other segment information:								
Capital expenditure (Note)	-	-	-	20,697	-	804	-	21,501
Depreciation	(8,643)	-	-	(41,905)	-	(141)	1,705	(48,984)
Interest income	-	1,230	-	974	-	119	-	2,323
Finance costs	-	-	-	(5,802)	-	(920)	138	(6,584)
Gain/(Loss) on disposal of:								
Subsidiaries	-	-	(3,886)	(140)	-	562	-	(3,464)
Fixed assets	-	-	-	198	-	(16)	-	182
Provisions for impairment losses on:								
A joint venture	-	-	-	-	(63)	-	-	(63)
Inventories	-	-	-	(1,369)	-	-	-	(1,369)
Loans and receivables	-	-	-	(349)	-	-	-	(349)
Net fair value gain on financial instruments at fair value through profit or loss	-	-	210,417	7,670	-	-	-	218,087
Fair value gain on investment properties	7,600	-	-	-	-	-	-	7,600
Unallocated:								
Capital expenditure (Note)								235
Depreciation								(5,065)
Finance costs								(9,170)
Loss on disposal of fixed assets								(1)

Notes to the Interim Financial Statements (Continued)

3. SEGMENT INFORMATION (Continued)

Six months ended 30 September 2020

	Property investment HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Food businesses HK\$'000	Healthcare services HK\$'000	Other HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
Revenue								
External	10,491	2,482	14,399	289,742	-	8,076	-	325,190
Inter-segment	1,305	-	-	-	-	1,959	(3,264)	-
Total	11,796	2,482	14,399	289,742	-	10,035	(3,264)	325,190
Segment results	(60,561)	2,482	52,309	(3,516)	(1,344)	(5,595)	(456)	(16,681)
Unallocated corporate expenses								(49,951)
Finance costs								(9,123)
Share of results of associates	-	-	-	-	(213)	25,987	-	25,774
Share of results of joint ventures	-	-	-	(390)	-	(4)	-	(394)
Loss before tax								(50,375)
Other segment information:								
Capital expenditure (Note)	-	-	-	46,385	-	286	-	46,671
Depreciation	(8,819)	-	-	(40,738)	-	(439)	1,432	(48,564)
Interest income	-	2,482	-	1,367	-	1,390	-	5,239
Finance costs	-	-	-	(6,099)	-	(3,099)	573	(8,625)
Loss on disposal of fixed assets	-	-	-	(28)	-	-	-	(28)
Provisions for impairment losses on:								
Fixed assets	(11,325)	-	-	-	-	-	-	(11,325)
Inventories	-	-	-	(1,725)	-	-	-	(1,725)
Loans and receivables	-	-	-	(334)	-	-	-	(334)
Net fair value gain on financial instruments at fair value through profit or loss	-	-	42,002	5,776	-	-	-	47,778
Fair value loss on investment properties	(48,791)	-	-	-	-	-	-	(48,791)
Unallocated:								
Capital expenditure (Note)								32
Depreciation								(5,592)
Finance costs								(9,123)
Loss on disposal of fixed assets								(487)

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

Notes to the Interim Financial Statements (Continued)

3. SEGMENT INFORMATION (Continued)

	Property investment HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Food businesses HK\$'000	Healthcare services HK\$'000	Other HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
At 30 June 2021 (unaudited)								
Segment assets	1,320,428	320,106	1,544,365	858,089	-	14,553	(10,863)	4,046,678
Interests in associates	-	-	-	-	437,220	351,166	-	788,386
Interests in joint ventures	-	-	41,750	32,673	-	341	-	74,764
Unallocated assets								62,175
Total assets								4,972,003
Segment liabilities	213,794	-	64,960	538,902	415,348	370,766	(1,042,033)	561,737
Unallocated liabilities								883,548
Total liabilities								1,445,285
At 31 December 2020 (audited)								
Segment assets	1,321,388	369,243	1,647,355	909,938	-	108,269	(15,686)	4,340,507
Interests in associates	-	-	-	-	431,252	336,557	-	767,809
Interests in joint ventures	-	-	41,512	32,238	368	359	-	74,477
Unallocated assets								66,400
Total assets								5,249,193
Segment liabilities	221,556	-	61,374	547,403	416,466	471,736	(858,913)	859,622
Unallocated liabilities								907,428
Total liabilities								1,767,050

4. REVENUE

An analysis of revenue is as follows:

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

Notes to the Interim Financial Statements (Continued)

4. REVENUE (Continued)

Disaggregated revenue information for revenue from contracts with customers

Segments	Food businesses HK\$'000	Other HK\$'000	Total HK\$'000
Six months ended 30 June 2021			
Types of goods or services:			
Sale of goods and fast-moving consumer products	152,841	–	152,841
Sale of food and beverage	139,172	–	139,172
Provision of management services	–	6,250	6,250
Total revenue from contracts with customers	292,013	6,250	298,263
Geographical markets:			
Hong Kong	92,106	5,300	97,406
Mainland China	–	950	950
Republic of Singapore	199,907	–	199,907
Total revenue from contracts with customers	292,013	6,250	298,263
Timing of revenue recognition:			
Goods transferred at a point in time	292,013	–	292,013
Services transferred over time	–	6,250	6,250
Total revenue from contracts with customers	292,013	6,250	298,263
Six months ended 30 September 2020			
Types of goods or services:			
Sale of goods and fast-moving consumer products	166,298	–	166,298
Sale of food and beverage	119,706	–	119,706
Provision of management services	–	6,178	6,178
Total revenue from contracts with customers	286,004	6,178	292,182
Geographical markets:			
Hong Kong	82,559	5,138	87,697
Mainland China	–	1,040	1,040
Republic of Singapore	203,445	–	203,445
Total revenue from contracts with customers	286,004	6,178	292,182
Timing of revenue recognition:			
Goods transferred at a point in time	286,004	–	286,004
Services transferred over time	–	6,178	6,178
Total revenue from contracts with customers	286,004	6,178	292,182

Notes to the Interim Financial Statements (Continued)

4. REVENUE (Continued)

Disaggregated revenue information for revenue from contracts with customers (Continued)

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

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

Notes to the Interim Financial Statements (Continued)

5. OTHER INCOME

	Six months ended	
	30 June	30 September
	2021	2020
	HK\$'000	HK\$'000
Government grants (Note)	8,430	29,937
Interest income from promissory note	119	399
	8,549	30,336

Note: Government grants mainly represent subsidies received in connection with the COVID-19 pandemic in Hong Kong and Singapore. There are no unfulfilled conditions or other contingencies attaching to these grants.

6. OTHER LOSSES — NET

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

Notes to the Interim Financial Statements (Continued)

7. PROFIT/(LOSS) BEFORE TAX

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

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

Note: The amounts are included in "Other operating expenses" in the condensed consolidated statement of profit or loss.

Notes to the Interim Financial Statements (Continued)

8. INCOME TAX

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

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (six months ended 30 September 2020 — 8.25% or 16.5%), as appropriate. For the companies operating in mainland China and the Republic of Singapore, corporate taxes have been calculated on the estimated assessable profits for the period at the rates of 25% and 17% (six months ended 30 September 2020 — 25% and 17%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

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

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated based on (i) the consolidated profit/(loss) for the period attributable to equity holders of the Company; and (ii) the weighted average number of approximately 9,186,913,000 ordinary shares (six months ended 30 September 2020 — approximately 9,186,913,000 ordinary shares) in issue during the period.

(b) Diluted earnings/(loss) per share

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

10. INTERIM DIVIDEND

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

11. INTERESTS IN JOINT VENTURES

Reference was made to the Group's minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset, prior to the events described below, was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that owned a number of copper ore deposits in the Milford Mineral Belt in Beaver County, State of Utah in the U.S.A. Subsequently, CS Mining sold its assets through a court-supervised sale process under its bankruptcy proceedings and a joint venture of the Company participated and won the bid to acquire the assets in August 2017. In January 2018, a verified complaint (the "Complaint") was filed in a United States state court in Delaware (the "Delaware State Court") by the majority investors in Skye (the "Majority Investors") individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group (collectively, the "Parties"). The Complaint alleges, among other things, that the Majority Investors directly and derivatively through their ownership of Skye, suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Parties on CS Mining. The Parties filed a motion to dismiss the Complaint in 2019. The Delaware State Court issued a decision on the motion to dismiss in 2020, partially granting the motion and dismissing several of the causes of action alleged by the Majority Investors. With respect to the remaining parts of the Complaint that were not dismissed, the Delaware State Court did not rule on the merits of those claims and therefore, the Parties filed its answer and the Majority Investors will have to provide evidence to establish the claims that were not dismissed. The Group, individually and derivatively on behalf of Skye, also filed a counterclaim (the "Counterclaim") against the Majority Investors and their related persons (the "Counterparties"), in which the Group has claimed that the Counterparties, at all relevant times, controlled both Skye and CS Mining and preferred their own interests over those of Skye and its creditors and other owners. As a result, the Counterclaim alleged that the conduct of the Counterparties caused the Group to suffer loss, and accordingly seeks damages against the Counterparties for such losses. The Counterparties filed a motion to dismiss the Counterclaim. In July 2021, the Delaware State Court issued its decision on the motion to dismiss the Counterclaim filed by the Counterparties. In the decision, the Delaware State Court granted the motion to dismiss, in part, resulting in certain counts of the Counterclaim being dismissed, and partly denied the motion, resulting in the remaining counts of the Counterclaim being continued. Importantly, with respect to the counts of the Counterclaim that were dismissed, the Delaware State Court specifically ruled that the Group may present evidence of the Counterparties' alleged misconduct to defend against or set off any potential damages that may arise from the claims asserted against the Group, including that any harm suffered by the Counterparties was caused by their own wrongdoing. Under the Delaware State Court rules, the Counterparties must formally answer the Counterclaim. The Group continues to believe the Complaint is wholly frivolous and without basis.

12. DEBTORS, PREPAYMENTS AND OTHER ASSETS

Included in the balances are trade debtors with an ageing analysis, based on the invoice date and net of loss allowance, as follows:

	30 June 2021 HK\$'000	31 December 2020 HK\$'000
Outstanding balances with ages:		
Within 30 days	37,967	33,336
Between 31 and 60 days	18,898	24,489
Between 61 and 90 days	12,102	15,904
Between 91 and 180 days	4,258	1,813
	73,225	75,542

13. BANK AND OTHER BORROWINGS

	30 June 2021 HK\$'000	31 December 2020 HK\$'000
Current portion:		
Unsecured bank overdraft	–	2,199
Secured bank loans (Note (a))	232,843	166,694
Other borrowings:		
Unsecured notes (Note (b))	–	288,965
	232,843	457,858
Non-current portion:		
Secured bank loans (Note (a))	657,927	716,352
	890,770	1,174,210
Bank and other borrowings by currency:		
Hong Kong dollar	679,633	657,233
Singapore dollar	183,093	488,037
Malaysian Ringgit	28,044	28,940
	890,770	1,174,210
Bank loans and overdraft repayable:		
Within one year or on demand	232,843	168,893
In the second year	581,609	164,660
In the third to fifth years, inclusive	76,318	551,692
	890,770	885,245
Other borrowings repayable:		
Within one year	–	288,965

The Group's bank loans and overdraft bear interest at rates ranging from 1.8% to 3.4% per annum (31 December 2020 — 1.9% to 4.8% per annum).

Note:

- (a) At the end of the reporting period, the bank loans were secured by:
- (i) first legal mortgages over certain investment properties and land and buildings of the Group with carrying amounts of HK\$339,000,000 (31 December 2020 — HK\$331,500,000) and HK\$794,448,000 (31 December 2020 — HK\$816,807,000), respectively; and
 - (ii) fixed and floating charges over all the assets of certain subsidiaries of the Group.
- (b) The unsecured notes were issued in connection with the acquisition of TIH Limited, an associate of the Company, through a share offer. The unsecured notes carried interest at a rate of 2.25% per annum and were redeemed at par in February 2021. As at 31 December 2020, restricted cash balances with a carrying amount of HK\$53,832,000 were placed in a bank account of a subsidiary of the Company which was 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 share offer). The amount was utilised for the redemption of the unsecured notes during the period.

Notes to the Interim Financial Statements (Continued)

14. CREDITORS, ACCRUALS AND OTHER LIABILITIES

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

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

15. SHARE CAPITAL

	30 June 2021 HK\$'000	31 December 2020 HK\$'000
Issued and fully paid:		
9,186,912,716 (31 December 2020 — 9,186,912,716) ordinary shares	1,705,907	1,705,907

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

16. CONTINGENT LIABILITIES

Save as disclosed elsewhere in the interim financial statements, the Group had the following contingent liabilities at the end of the reporting period:

	30 June 2021 HK\$'000	31 December 2020 HK\$'000
Secured bankers' guarantee	691	2,183
Unsecured bankers' guarantee	2,946	1,567
	3,637	3,750

The bankers' guarantees were mainly issued in lieu of rental and utility deposits for the premises used in the food businesses segment. As at 30 June 2021, the secured bankers' guarantees were secured by corporate guarantees from the shareholders of a subsidiary of approximately HK\$395,000 (31 December 2020 — HK\$402,000) and certain assets under pledge with bank borrowings of the Group. The amounts as at 31 December 2020 were also secured by fixed deposits of approximately HK\$2,012,000.

Notes to the Interim Financial Statements (Continued)

17. COMMITMENTS

The Group had the following commitments at the end of the reporting period:

	30 June 2021 HK\$'000	31 December 2020 HK\$'000
Commitments in respect of properties, plant and equipment:		
Contracted, but not provided for (Note (a))	20,884	17,306
Other commitments:		
Contracted, but not provided for (Note (b))	34,553	39,724
	55,437	57,030

Note:

- (a) The balance included the Group's commitments in relation to the construction of a food factory in Malaysia of HK\$20,782,000 (31 December 2020 — HK\$17,264,000).
- (b) The balance included the Group's commitments for financial assets at fair value through profit or loss of HK\$30,343,000 (31 December 2020 — HK\$32,540,000).

18. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the interim financial statements, the Group had the following transactions with related parties during the six months ended 30 June 2021:

- (a) During the period, the Group received rental income (including service charges) of HK\$231,000 (six months ended 30 September 2020 — HK\$301,000) and HK\$582,000 (six months ended 30 September 2020 — HK\$746,000) from Lippo Limited, an intermediate holding company of the Company, and Hongkong Chinese Limited, a fellow subsidiary of the Company, respectively. The rentals were determined by reference to the then prevailing open market rentals.
- (b) During the period, the Group received interest income of HK\$770,000 (six months ended 30 September 2020 — HK\$777,000) from a joint venture of the Group.
- (c) During the period, the Group paid consultancy and service fees of HK\$924,000 (six months ended 30 September 2020 — HK\$1,344,000) to an associate of the Group. The fee was charged pursuant to the terms of the agreement signed between the parties.
- (d) As at 30 June 2021, the Group had amounts due from associates of HK\$30,527,000 (31 December 2020 — HK\$30,527,000), which are unsecured, interest-free and repayable on demand.
- (e) As at 30 June 2021, the Group had amounts due from joint ventures of HK\$207,730,000 (31 December 2020 — HK\$208,974,000). The amounts due from joint ventures included balances of HK\$33,467,000 (31 December 2020 — HK\$32,646,000), which are unsecured, bear interest at rates ranging from nil to 5% per annum (31 December 2020 — nil to 5% per annum) and are repayable when the resources of the joint venture permit. The remaining balances with the joint ventures are unsecured, interest-free and repayable on demand.

19. 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	
	30 June 2021 HK\$'000	31 December 2020 HK\$'000	30 June 2021 HK\$'000	31 December 2020 HK\$'000
Financial assets				
Financial assets at fair value through other comprehensive income (Note (a))	40,718	102,896	40,718	102,896
Financial assets at fair value through profit or loss (Note (b))	1,169,752	1,033,100	1,169,752	1,033,100
Other financial asset	1,449	1,199	1,449	1,199
	1,211,919	1,137,195	1,211,919	1,137,195
Financial liabilities				
Bank and other borrowings	–	288,965	–	287,324
Other financial liabilities	17,454	24,862	17,454	24,862
	17,454	313,827	17,454	312,186

Note:

- (a) The decrease in fair values for the six months ended 30 June 2021 was mainly attributable to adverse impact from the stricter regulatory environment.
- (b) The increase in fair values for the six months ended 30 June 2021 was mainly benefited from the net gains in the securities markets during the period.

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

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, amounts due from associates and joint ventures 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.

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 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 December 2020 — 3%), the fair value will be increased/decreased by HK\$15,826,000 (31 December 2020 — HK\$13,420,000).

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.

Notes to the Interim Financial Statements (Continued)

19. 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 used in Level 3 fair value measurements as at 30 June 2021 and 31 December 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")	9.6 (31 December 2020 — 11.1)	When PE multiple increases/decreases by 0.5 (31 December 2020 — 0.5), the fair value will be increased/decreased by HK\$575,000 and HK\$582,000 (31 December 2020 — HK\$3,613,000 and HK\$3,605,000), respectively.
		Discount for lack of marketability ("DLOM")	15.8% (31 December 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 December 2020 — not significant).
		Probability of redemption ("Probability")	85% (31 December 2020 — 10%)	When the Probability increases/decreases by 5% (31 December 2020 — 5%), the fair value will be decreased/increased by HK\$2,764,000 and HK\$2,772,000 (31 December 2020 — HK\$488,000 and HK\$496,000), respectively.
		Discount rate	21.1% to 28.7% (31 December 2020 — 21.1% to 28.7%)	When discount rate increases/decreases by 3% (31 December 2020 — 3%), the fair value will be decreased/increased by HK\$808,000 and HK\$1,095,000 (31 December 2020 — HK\$806,000 and HK\$1,093,000), respectively.
	Income approach	DLOM	15.8% to 20.6% (31 December 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 December 2020 — not significant).

Notes to the Interim Financial Statements (Continued)

19. 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			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
At 30 June 2021				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income:				
Equity securities	295	–	40,423	40,718
Financial assets at fair value through profit or loss held for trading:				
Equity securities	603,503	–	–	603,503
Investment funds	16,355	410	–	16,765
Other financial assets mandatorily classified at fair value through profit or loss:				
Debt securities	–	21,963	–	21,963
Investment funds	–	–	527,521	527,521
Other financial asset:				
Warrants	–	1,449	–	1,449
	620,153	23,822	567,944	1,211,919
Liabilities measured at fair value				
Other financial liabilities:				
Financial liabilities at fair value through profit or loss designated as such upon initial recognition	–	16,709	–	16,709
Interest rate swap	–	745	–	745
	–	17,454	–	17,454
At 31 December 2020				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income:				
Equity securities	540	–	102,356	102,896
Financial assets at fair value through profit or loss held for trading:				
Equity securities	549,084	–	–	549,084
Investment funds	14,821	399	–	15,220
Other financial assets mandatorily classified at fair value through profit or loss:				
Debt securities	–	21,468	–	21,468
Investment funds	–	–	447,328	447,328
Other financial asset:				
Warrants	–	1,199	–	1,199
	564,445	23,066	549,684	1,137,195
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

Notes to the Interim Financial Statements (Continued)

19. 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 are as follows:

	Equity securities at fair value through other comprehensive income HK\$'000	Investment funds mandatorily classified at fair value through profit or loss HK\$'000
At 1 January 2021	102,356	447,328
Total gains recognised in the statement of profit or loss	–	90,203
Total losses recognised in other comprehensive income	(60,954)	–
Additions	2,993	4,233
Disposals	(3,887)	(1,992)
Distributions	–	(11,192)
Exchange adjustments	(85)	(1,059)
At 30 June 2021	40,423	527,521
At 1 April 2020	105,329	366,836
Total gains recognised in the statement of profit or loss	–	34,688
Total gains recognised in other comprehensive income	156	–
Additions	–	24,449
Distributions	–	(6,577)
Exchange adjustments	202	3,350
At 30 September 2020	105,687	422,746

During the six months ended 30 June 2021, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (six months ended 30 September 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.

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
At 31 December 2020				

Liabilities for which fair values are disclosed

Bank and other borrowings:

Unsecured notes	–	–	287,324	287,324
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Business Review and Prospects

Business Review

Overview

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

Results for the Period

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

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

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

The Group's other operating expenses mainly included selling and distribution expenses and utilities charges for food businesses, legal and professional fees, consultancy and service fees, and repairs and maintenance expenses. Other operating expenses amounted to HK\$73 million for the Period (2020 — HK\$69 million).

Food businesses

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

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

Property investment

Segment revenue was mainly attributable to recurrent rental income from the Group's investment properties. The Group's property investment portfolio is located mainly in Hong Kong and mainland China. Due to the downturn in the economy, the rental income dropped for the Period. The total segment revenue for the Period amounted to HK\$11 million (2020 — HK\$12 million).

The Group recorded fair value gain on investment properties of HK\$8 million for the Period (2020 — loss of HK\$49 million). Coupled with the absence of the provision of HK\$11 million for impairment of certain properties located in Hong Kong during the Last Period, the property investment segment reported a profit of HK\$7 million for the Period (2020 — loss of HK\$61 million).

Treasury and securities investments

The Group managed its investment portfolio in accordance with its investment committee's terms of reference and looked for opportunities to enhance yields and seek gains. The Group invested in a diversified portfolio mainly including listed and unlisted equity securities, debt securities and investment funds. Treasury and securities investments businesses recorded a total revenue of HK\$12 million during the Period (2020 — HK\$17 million). The Group recorded a net fair value gain in the statement of profit or loss from its securities investments of HK\$210 million for the Period (2020 — HK\$42 million) under this segment, mainly from listed equity securities held for trading and investment funds held for long-term strategic purposes. As a result, the treasury and securities investments businesses recorded a net profit of HK\$212 million in the statement of profit or loss for the Period (2020 — HK\$55 million).

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

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

Business Review and Prospects (Continued)

Financial assets at fair value through profit or loss

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

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

	As at 30 June 2021		As at 31 December 2020		For the six months ended 30 June 2021
	Fair value HK\$'000	Approximate percentage of financial assets at FVPL	Approximate percentage to the total assets	Fair value HK\$'000	Net fair value gain/(loss) HK\$'000
Quantedge Global Fund ("Quantedge")	85,025	7.3%	1.7%	70,314	14,955
GSH Corporation Limited ("GSH")	84,376	7.2%	1.7%	85,730	(1,354)
FinVolution Group ("FinVolution")	73,037	6.2%	1.5%	40,482	92,891
Others (Note)	927,314	79.3%	18.6%	836,574	104,003
Total	1,169,752	100.0%	23.5%	1,033,100	210,495

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

Quantedge

As at 30 June 2021, the fair value of the Group's investment in Quantedge amounted to HK\$85 million, representing approximately 7.3% and 1.7% of the Group's total financial assets at FVPL and total assets respectively. The Group invested in Quantedge for long-term strategic purpose since early 2018 as its goal is in line with the Group's investment strategy. Quantedge is an unlisted investment fund which aims to achieve absolute long-term capital growth by investing in multiple asset classes across the globe. Accordingly, the investment results may vary substantially over short periods of time. Quantedge reported positive returns for the Period, mainly benefited from gains in the equities and commodities market, offset by losses in the fixed income portfolio. As a result, the Group shared a fair value gain of HK\$15 million from the investment for the Period.

GSH

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

FinVolution

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

Financial assets at fair value through other comprehensive income

In addition to the above investments under financial assets at FVPL, the Group also invested in listed and unlisted equity securities which are held for long term strategic purposes. Such investments were recorded under financial assets at FVOCI. As at 30 June 2021, the fair value of such investments amounted to HK\$41 million (31 December 2020 — HK\$103 million). During the Period, net fair value loss of HK\$61 million was recognised in other comprehensive income from these investments. Such fair value loss was mainly attributable to the unrealised fair value loss on the Group's investments in eBroker Holding Limited ("eBroker").

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

Healthcare services

The Group's healthcare services business is mainly carried out through its investments in Healthway Medical Corporation Limited ("Healthway", together with its subsidiaries, the "HMC Group"), an associate of the Company. As at 30 June 2021, the Group was interested in approximately 40.83% of the issued shares in Healthway. Healthway is a company listed on the sponsor-supervised listing platform of the SGX-ST and a well-established private healthcare provider in Singapore. The HMC Group owns, operates and manages around 90 clinics and medical centres in Singapore.

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

Business Review and Prospects (Continued)

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

Other business

The Group recorded a share of profit of HK\$26 million from its investment in TIH Limited ("TIH"), an associate of the Company and listed on the Mainboard of the SGX-ST for the Period (2020 — HK\$25 million), mainly attributable to fair value gain on its equity investments. The Group's interests in TIH as at 30 June 2021 increased to HK\$291 million (31 December 2020 — HK\$275 million).

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

Financial Position

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

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

As at 30 June 2021, bank borrowings comprised secured bank loans of HK\$891 million (31 December 2020 — HK\$883 million). The balance as at 31 December 2020 also included unsecured bank overdraft of HK\$2 million. The bank borrowings were denominated in Hong Kong dollars, Singapore dollars and Malaysian Ringgit. The bank loans were secured by fixed and floating charges on certain properties and assets of certain subsidiaries of the Group. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure. As at 30 June 2021, approximately 6% (31 December 2020 — 7%) of the Group's bank borrowings effectively carried fixed rate of interest and the remaining were at floating rates.

As at 30 June 2021, approximately 26% (31 December 2020 — 39%) of the bank and other borrowings were repayable within one year. As at 30 June 2021, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 24.0% (31 December 2020 — 33.2%). The Group does not expect any liquidity pressures under the prolonged COVID-19 pandemic.

The net asset value attributable to equity holders of the Company amounted to HK\$3.2 billion as at 30 June 2021 (31 December 2020 — HK\$3.1 billion). This was equivalent to HK\$0.35 per share as at 30 June 2021 (31 December 2020 — HK\$0.34 per share).

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

The Group had bankers' guarantees issued in lieu of rental and utility deposits for the premises used for operation of food businesses. As at 30 June 2021, the Group has secured bankers' guarantees of HK\$1 million (31 December 2020 — HK\$2 million) and unsecured bankers' guarantees of HK\$3 million (31 December 2020 — HK\$2 million). The secured bankers' guarantees were secured by corporate guarantees from the shareholders of a subsidiary and certain assets of the Group. Aside from the abovementioned, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Period (31 December 2020 — Nil).

Total commitment of the Group as at 30 June 2021 amounted to HK\$55 million (31 December 2020 — HK\$57 million), which are mainly related to the securities investments and the food businesses. The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

Staff and Remuneration

The Group had 893 full-time employees as at 30 June 2021 (30 September 2020 — 964 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Period amounted to HK\$140 million (2020 — HK\$150 million). The Group ensures that its employees are offered competitive remuneration packages. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

Prospects

The global vaccine rollout is a main driver of the economic recovery and relaxation of lockdown and other containment measures worldwide. In particular, Singapore is looking at easing travel restrictions from September 2021 when its full vaccination coverage reaches a desired high level. However, the Group and its associates will remain vigilant as the spread of more infectious COVID-19 variants in many places of the world continues to cast uncertainty over the global economic outlook. Other risk factors such as the rising China-US tensions and the evolving monetary policy stance of major central banks also warrant attention. The Group and its associates will continue to monitor and adapt to any changes to the operating environment while exercising prudence in managing their financial resources and expenditure.

Additional Information

Interim Dividend

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

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations

As at 30 June 2021, 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:

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

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	–	–	6,890,184,389 <i>Notes (i) and (ii)</i>	6,890,184,389	74.99
James Siu Lung Lee	2,000	–	–	2,000	0.00
Number of ordinary shares in Lippo Limited ("Lippo")					
Stephen Riady	–	–	369,800,219 <i>Note (i)</i>	369,800,219	74.98
John Luen Wai Lee	1,031,250	–	–	1,031,250	0.21
Number of ordinary shares of HK\$1.00 each in Hongkong Chinese Limited ("HKC")					
Stephen Riady	–	–	1,477,715,492 <i>Notes (i) and (iii)</i>	1,477,715,492	73.95
John Luen Wai Lee	2,000,270	270	–	2,000,540	0.10
King Fai Tsui	600,000	75,000	–	675,000	0.03
James Siu Lung Lee	2,000	–	–	2,000	0.00

Note:

- (i) As at 30 June 2021, 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, Lippo. 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 30 June 2021, Lippo, 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, the Company.
- (iii) As at 30 June 2021, Lippo, 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 30 June 2021:

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
First Tower Corporation	(d)	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	(e)	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
Skyscraper Realty Limited	(d)	Ordinary shares	10	100
Superfood Retail Limited ("Superfood")	(f)	Ordinary shares	10,000	100
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 the Company; 20,004,000 ordinary shares were held by Nine Heritage Pte Ltd ("Nine Heritage"), an 80% owned direct subsidiary of Jeremiah; 36,165,052 ordinary shares were held by Pantogon Holdings Pte Ltd ("Pantogon"), a 100% owned indirect subsidiary of the Company and 759,000 ordinary shares were held by Max Turbo Limited ("Max Turbo"), a 100% owned indirect subsidiary of the Company. Details of Dr. Riady's interest in the Company are disclosed in Notes (i) and (ii) above. In addition, as at 30 June 2021, 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(s) was/were 100% held directly or indirectly by Lippo. Details of Dr. Riady's interest in Lippo are disclosed in Note (i) above.
- (e) Such share was 100% held directly by Lippo Capital Group.
- (f) Of these shares, 1,625 ordinary shares were held by Nine Heritage; 2,937 ordinary shares were held by Pantogon; 406 ordinary shares were held by Jeremiah; 62 ordinary shares were held by Max Turbo and 4,970 ordinary shares were held by Oddish Ventures Pte. Ltd., a 100% owned indirect subsidiary of OUE Limited ("OUE"). OUE was indirectly owned as to approximately 70.43% by Fortune Crane Limited ("FCL"). HKC, through its 50% joint venture, Lippo ASM Asia Property Limited, held approximately 92.05% interest in FCL. Details of Dr. Riady's interest in HKC are disclosed in Notes (i) and (iii) above. Accordingly, Dr. Riady was taken to be interested in an aggregate of 10,000 ordinary shares in, representing 100% of the issued shares of, Superfood.

As at 30 June 2021, 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.

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)*

All the interests stated above represent long positions. Save as disclosed herein, as at 30 June 2021, 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 30 June 2021, 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.

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, the Company and Lippo Limited, an intermediate holding company of the Company, was adopted on 11 September 2014.

As at the beginning and end of the period, there were no outstanding options granted under the ANR Share Option Scheme to subscribe for shares in Asia Now (the "ANR Shares"). No option of Asia Now was granted, exercised, cancelled or lapsed under the ANR Share Option Scheme during the period.

Following the receivership entered into in August 2015, the listing of Asia Now was transferred from TSX Venture Exchange of Canada ("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.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2021, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

Interests and Short Positions of Shareholders Discloseable under the Securities and Futures Ordinance

As at 30 June 2021, 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
Skyscraper Realty Limited ("Skyscraper")	6,890,184,389	74.99
First Tower Corporation ("First Tower")	6,890,184,389	74.99
Lippo Limited ("Lippo")	6,890,184,389	74.99
Lippo Capital Limited ("Lippo Capital")	6,890,184,389	74.99
Lippo Capital Holdings Company Limited ("Lippo Capital Holdings")	6,890,184,389	74.99
Lippo Capital Group Limited ("Lippo Capital Group")	6,890,184,389	74.99
Madam Shincee Leonardi	6,890,184,389	74.99
PT Trijaya Utama Mandiri ("PT TUM")	6,890,184,389	74.99
Mr. James Tjahaja Riady	6,890,184,389	74.99
Madam Aileen Hambali	6,890,184,389	74.99

Note:

- 6,890,184,389 ordinary shares of the Company were held by Skyscraper directly as beneficial owner which in turn is a 100% owned subsidiary of First Tower. First Tower is a 100% owned subsidiary of Lippo. Lippo Capital, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in 369,800,219 ordinary shares in, representing approximately 74.98% of the issued shares of, Lippo.
- 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.
- 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.
- Skyscraper's interests in the ordinary shares of the Company were recorded as the interests of First Tower, Lippo, Lippo Capital, Lippo Capital Holdings, Lippo Capital Group, Madam Shincee Leonardi, PT TUM, Mr. James Tjahaja Riady and Madam Aileen Hambali. The above 6,890,184,389 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".

Interests and Short Positions of Shareholders Discloseable under the Securities and Futures Ordinance *(Continued)*

Interests of substantial shareholders in shares of the Company *(Continued)*

All the interests stated above represent long positions. Save as disclosed herein, as at 30 June 2021, 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.

Audit Committee

The Company has established an audit committee (the “Committee”). The existing members of the Committee comprise three independent non-executive Directors, namely Mr. Victor Ha Kuk Yung (Chairman), Mr. Edwin Neo and Mr. King Fai Tsui and one non-executive Director, Mr. Leon Nim Leung Chan. The Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2021.

Corporate Governance

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

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the six months ended 30 June 2021.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as the code for securities transactions by Directors. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code during the period under review.

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

Hong Kong, 30 August 2021

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Stephen Riady (*Chairman*)
Mr. John Luen Wai Lee, BBS, JP
(*Chief Executive Officer*)
Mr. James Siu Lung Lee

Non-executive Director

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

Ms. Millie Yuen Fun Luk

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

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

SOLICITORS

Howse Williams

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156

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