

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



## HONGKONG CHINESE LIMITED

香港華人有限公司 \*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

### FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Board of Directors (the “Board”) of Hongkong Chinese Limited (the “Company”) announces the consolidated final results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2021 (the “Year”) together with comparative figures for the nine months ended 31 December 2020 (the “2020”) as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	Note	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
<b>Continuing operations</b>			
Revenue	4	81,090	82,526
Cost of sales	6	(4,340)	(17,639)
<b>Gross profit</b>		<b>76,750</b>	64,887
Administrative expenses		(39,217)	(33,634)
Other operating expenses	6	(19,332)	(29,342)
Other gains/(losses) — net	5	(3,346)	12,725
Finance costs		(12,173)	(9,356)
Share of results of associates		18,473	6,590
Share of results of joint ventures	7	633,031	(966,114)
<b>Profit/(Loss) before tax from continuing operations</b>	6	<b>654,186</b>	(954,244)
Income tax	8	15,679	(9,968)
<b>Profit/(Loss) for the year/period from continuing operations</b>		<b>669,865</b>	(964,212)
<b>Discontinued operation</b>			
Profit for the year/period from discontinued operation	9	-	134,599
<b>Profit/(Loss) for the year/period</b>		<b>669,865</b>	(829,613)
<b>Attributable to:</b>			
Equity holders of the Company		670,303	(829,662)
Non-controlling interests		(438)	49
		<b>669,865</b>	<b>(829,613)</b>
		<b>HK cents</b>	<b>HK cents</b>
<b>Earnings/(Loss) per share attributable to equity holders of the Company</b> 10			
Basic and diluted			
— For profit/(loss) for the year/period		33.5	(41.5)
— For profit/(loss) from continuing operations		33.5	(48.2)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
<b>Profit/(Loss) for the year/period</b>	<b>669,865</b>	<b>(829,613)</b>
<b>Other comprehensive income/(loss)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(5,456)	47,552
Exchange differences reclassified to profit or loss upon:		
Liquidation of foreign operations	220	(5,720)
Disposal of foreign associates	1,478	-
Share of other comprehensive income/(loss) of joint ventures:		
Exchange differences on translation of foreign operations	(21,151)	712,071
Other reserves	55,426	(14,167)
Adjustment for disposal of interests in a joint venture	-	282
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	<b>30,517</b>	<b>740,018</b>
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	(2)	24
Share of changes in fair value of equity instruments at fair value through other comprehensive income of joint ventures	(178,761)	90,561
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods, net of tax	<b>(178,763)</b>	<b>90,585</b>
Other comprehensive income/(loss) for the year/period, net of tax	<b>(148,246)</b>	<b>830,603</b>
<b>Total comprehensive income for the year/period</b>	<b>521,619</b>	<b>990</b>
<b>Attributable to:</b>		
Equity holders of the Company	521,474	(636)
Non-controlling interests	145	1,626
	<b>521,619</b>	<b>990</b>
<b>Total comprehensive income/(loss) for the year/period attributable to equity holders of the Company:</b>		
— From continuing operations	521,474	(136,036)
— From discontinued operation	-	135,400
	<b>521,474</b>	<b>(636)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

		<b>31 December</b>	31 December
		<b>2021</b>	2020
	Note	<b>HK\$'000</b>	HK\$'000
<b>Non-current assets</b>			
Fixed assets		<b>17,207</b>	22,854
Investment properties		<b>151,491</b>	152,385
Right-of-use assets		<b>240</b>	510
Interests in associates		<b>365,888</b>	411,510
Interests in joint ventures	7	<b>10,789,640</b>	10,174,850
Financial assets at fair value through other comprehensive income		<b>91</b>	97
Financial assets at fair value through profit or loss		<b>3,100</b>	2,880
		<b>11,327,657</b>	10,765,086
<b>Current assets</b>			
Properties held for sale		<b>69,663</b>	69,298
Properties under development		<b>28,471</b>	31,509
Loans and advances		<b>8,210</b>	8,827
Debtors, prepayments and other assets	12	<b>3,189</b>	4,351
Financial assets at fair value through profit or loss		<b>10,684</b>	11,121
Tax recoverable		<b>157</b>	120
Cash and cash equivalents		<b>122,211</b>	198,489
		<b>242,585</b>	323,715
<b>Current liabilities</b>			
Bank and other borrowings		<b>-</b>	145,417
Lease liabilities		<b>251</b>	267
Other payables, accruals and other liabilities		<b>26,309</b>	54,578
Tax payable		<b>34,731</b>	52,693
		<b>61,291</b>	252,955
<b>Net current assets</b>		<b>181,294</b>	70,760
<b>Total assets less current liabilities</b>		<b>11,508,951</b>	10,835,846

	<b>31 December 2021 HK\$'000</b>	31 December 2020 HK\$'000
<b>Non-current liabilities</b>		
Bank and other borrowings	272,556	130,000
Lease liabilities	-	254
Deferred tax liabilities	15,572	17,836
	<u>288,128</u>	<u>148,090</u>
<b>Net assets</b>	<u>11,220,823</u>	<u>10,687,756</u>
<b>Equity</b>		
Equity attributable to equity holders of the Company		
Share capital	1,998,280	1,998,280
Reserves	9,202,381	8,669,459
	<u>11,200,661</u>	<u>10,667,739</u>
Non-controlling interests	20,162	20,017
	<u>11,220,823</u>	<u>10,687,756</u>

Note:

## 1. BASIS OF PREPARATION

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

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

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the final results are consistent with those used in the Group’s audited financial statements for the nine months ended 31 December 2020, except for the adoption of the following revised HKFRSs for the first time for the current year’s final results:

Amendments to HKFRS 9, HKAS 39,  
HKFRS 7, HKFRS 4 and HKFRS 16  
Amendment to HKFRS 16

*Interest Rate Benchmark Reform — Phase 2*

*Covid-19-Related Rent Concessions beyond 30 June 2021*  
(early adopted)

The application of the amendment to HKFRS 16 has had no significant financial effect on the final results. The nature and the impact of the Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 are described below:

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

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

### 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 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; and
- (e) the “other” segment comprises principally the provision of project management services.

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 9).

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

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

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

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

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

## Year ended 31 December 2021

	Continuing operations					Discontinued operation		Consolidated HK\$'000
	Property investment	Property development	Treasury investment	Securities investment	Other	Consolidated	Banking business	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Revenue — external</b>	<b>69,693</b>	<b>7,490</b>	<b>385</b>	<b>614</b>	<b>2,908</b>	<b>81,090</b>	<b>-</b>	<b>81,090</b>
<b>Segment results</b>	<b>48,266</b>	<b>(473)</b>	<b>385</b>	<b>1,827</b>	<b>(2,251)</b>	<b>47,754</b>	<b>-</b>	<b>47,754</b>
Unallocated corporate expenses						(45,072)	-	(45,072)
Share of results of associates	-	18,473	-	-	-	18,473	-	18,473
Share of results of joint ventures	631,755	1,276	-	-	-	633,031	-	633,031
Profit before tax						<b>654,186</b>	<b>-</b>	<b>654,186</b>
<b>Segment assets</b>	<b>185,303</b>	<b>87,348</b>	<b>102,920</b>	<b>13,875</b>	<b>8,521</b>	<b>397,967</b>	<b>-</b>	<b>397,967</b>
Interests in associates	6,520	359,368	-	-	-	365,888	-	365,888
Interests in joint ventures	10,789,640	-	-	-	-	10,789,640	-	10,789,640
Unallocated assets						16,747	-	16,747
Total assets						<b>11,570,242</b>	<b>-</b>	<b>11,570,242</b>
<b>Segment liabilities</b>	<b>278,218</b>	<b>10,491</b>	<b>-</b>	<b>-</b>	<b>344</b>	<b>289,053</b>	<b>-</b>	<b>289,053</b>
Unallocated liabilities						60,366	-	60,366
Total liabilities						<b>349,419</b>	<b>-</b>	<b>349,419</b>
<b>Other segment information:</b>								
Capital expenditure ( <i>Note</i> )	156	-	-	-	-	156	-	156
Depreciation	(151)	-	-	-	(269)	(420)	-	(420)
Interest income	61,931	-	385	-	254	62,570	-	62,570
Finance costs	(12,158)	-	-	-	(15)	(12,173)	-	(12,173)
Loss on disposal of:								
Fixed assets	-	(30)	-	-	-	(30)	-	(30)
Associates	-	-	-	-	(1,492)	(1,492)	-	(1,492)
Write-back of provisions/(Provisions) for impairment losses on:								
Properties held for sale	777	-	-	-	-	777	-	777
Properties under development	-	(134)	-	-	-	(134)	-	(134)
Net fair value gain on financial instruments at fair value through profit or loss	-	-	-	1,254	-	1,254	-	1,254
Net fair value loss on investment properties	(2,442)	-	-	-	-	(2,442)	-	(2,442)
Unallocated:								
Capital expenditure ( <i>Note</i> )						384		384
Depreciation						(5,724)		(5,724)
Realised translation losses reclassified to the statement of profit or loss relating to liquidation of foreign operations						(220)		(220)

Nine months ended 31 December 2020

	Continuing operations					Discontinued operation		Consolidated HK\$'000
	Property investment	Property development	Treasury investment	Securities investment	Other	Consolidated	Banking business	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Revenue — external</b>	50,250	29,221	224	226	2,605	82,526	-	82,526
<b>Segment results</b>	38,515	15,060	224	687	2,285	56,771	134,883	191,654
Unallocated corporate expenses						(51,491)	-	(51,491)
Share of results of associates	-	6,590	-	-	-	6,590	-	6,590
Share of results of joint ventures	(967,490)	1,376	-	-	-	(966,114)	(284)	(966,398)
Profit/(Loss) before tax						(954,244)	134,599	(819,645)
<b>Segment assets</b>	177,143	90,825	186,523	14,098	10,129	478,718	-	478,718
Interests in associates	6,963	404,547	-	-	-	411,510	-	411,510
Interests in joint ventures	10,173,212	1,638	-	-	-	10,174,850	-	10,174,850
Unallocated assets						23,723	-	23,723
Total assets						11,088,801	-	11,088,801
<b>Segment liabilities</b>	280,310	11,655	-	-	1,636	293,601	-	293,601
Unallocated liabilities						107,444	-	107,444
Total liabilities						401,045	-	401,045
<b>Other segment information:</b>								
Capital expenditure ( <i>Note</i> )	152	-	-	-	-	152	-	152
Depreciation	(252)	-	-	-	(281)	(533)	-	(533)
Interest income	46,066	-	224	-	176	46,466	-	46,466
Finance costs	(9,329)	-	-	-	(27)	(9,356)	-	(9,356)
Gain on disposal of interests in a joint venture	-	-	-	-	-	-	181,663	181,663
Provisions for impairment losses on:								
An associate	-	-	-	-	(107)	(107)	-	(107)
Properties held for sale	(620)	-	-	-	-	(620)	-	(620)
Properties under development	-	(149)	-	-	-	(149)	-	(149)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	-	5,714	-	-	6	5,720	-	5,720
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	-	-	-	585	-	585	(46,780)	(46,195)
Net fair value gain on investment properties	5,960	-	-	-	-	5,960	-	5,960
Unallocated:								
Capital expenditure ( <i>Note</i> )						301		301
Depreciation						(4,368)		(4,368)
Loss on disposal of fixed assets						(628)		(628)

*Note:* Capital expenditure includes additions to fixed assets.

## Geographical information

### (a) Revenue from external customers

	<b>Year ended 31 December 2021 HK\$'000</b>	Nine months ended 31 December 2020 HK\$'000
Hong Kong	35	757
Mainland China	12,499	31,175
Republic of Singapore	55,825	41,173
Indonesia	9,723	7,042
Other	3,008	2,379
	<u>81,090</u>	<u>82,526</u>

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

### (b) Non-current assets

	<b>31 December 2021 HK\$'000</b>	31 December 2020 HK\$'000
Hong Kong	158	351
Mainland China	77,187	78,509
Republic of Singapore	11,035,894	10,475,651
Indonesia	146,427	142,158
Other	64,800	65,440
	<u>11,324,466</u>	<u>10,762,109</u>

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

## Information about major customers

For the year ended 31 December 2021, revenue of approximately HK\$52,208,000 (nine months ended 31 December 2020 — HK\$38,276,000) and HK\$9,723,000 (nine months ended 31 December 2020 — HK\$7,042,000) was derived from interest income from two major customers in the property investment segment. For the nine months ended 31 December 2020, revenue of approximately HK\$28,740,000 was derived from sale of properties by the property development segment to a major customer.

#### 4. REVENUE

An analysis of revenue from continuing operations is as follows:

	<b>Year ended 31 December 2021 HK\$'000</b>	Nine months ended 31 December 2020 HK\$'000
Revenue from contracts with customers:		
Sale of properties	3,969	29,221
Provision of project management services	2,627	1,642
	<u>6,596</u>	<u>30,863</u>
Revenue from other sources:		
Property rental income from operating leases	7,762	4,184
Interest income	62,570	46,466
Dividend income	614	226
Other	3,548	787
	<u>81,090</u>	<u>82,526</u>

#### Revenue from contracts with customers Disaggregated revenue information

Segments	Property development HK\$'000	Other HK\$'000	Total HK\$'000
<b>Year ended 31 December 2021</b>			
Types of goods or services:			
Sale of properties	3,969	-	3,969
Provision of project management services	-	2,627	2,627
	<u>3,969</u>	<u>2,627</u>	<u>6,596</u>
Total revenue from contracts with customers	<u>3,969</u>	<u>2,627</u>	<u>6,596</u>
Geographical markets:			
Mainland China	3,969	-	3,969
Republic of Singapore	-	2,627	2,627
	<u>3,969</u>	<u>2,627</u>	<u>6,596</u>
Total revenue from contracts with customers	<u>3,969</u>	<u>2,627</u>	<u>6,596</u>
Timing of revenue recognition:			
Goods transferred at a point in time	3,969	-	3,969
Services transferred over time	-	2,627	2,627
	<u>3,969</u>	<u>2,627</u>	<u>6,596</u>
Total revenue from contracts with customers	<u>3,969</u>	<u>2,627</u>	<u>6,596</u>

Segments	Property development 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
Provision of project management services	-	1,642	1,642
Total revenue from contracts with customers	<u>29,221</u>	<u>1,642</u>	<u>30,863</u>
Geographical markets:			
Mainland China	29,221	-	29,221
Republic of Singapore	-	1,642	1,642
Total revenue from contracts with customers	<u>29,221</u>	<u>1,642</u>	<u>30,863</u>
Timing of revenue recognition:			
Goods transferred at a point in time	29,221	-	29,221
Services transferred over time	-	1,642	1,642
Total revenue from contracts with customers	<u>29,221</u>	<u>1,642</u>	<u>30,863</u>

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	Other HK\$'000	Total HK\$'000
<b>Year ended 31 December 2021</b>			
Revenue from contracts with external customers	<b>3,969</b>	<b>2,627</b>	<b>6,596</b>
Revenue from other sources — external	<u><b>3,521</b></u>	<u><b>281</b></u>	<u><b>3,802</b></u>
Total segment revenue	<u><b>7,490</b></u>	<u><b>2,908</b></u>	<u><b>10,398</b></u>
Nine months ended 31 December 2020			
Revenue from contracts with external customers	29,221	1,642	30,863
Revenue from other sources — external	-	963	963
Total segment revenue	<u>29,221</u>	<u>2,605</u>	<u>31,826</u>

**5. OTHER GAINS/(LOSSES) — NET**

	<b>Year ended 31 December 2021 HK\$'000</b>	Nine months ended 31 December 2020 HK\$'000
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Financial assets at fair value through profit or loss mandatorily classified as such, including those held for trading:		
Equity securities	1,153	1,292
Debt securities	220	(20)
Investment funds	(119)	(687)
	<b>1,254</b>	585
Loss on disposal of:		
Fixed assets	(30)	(628)
Associates	(1,492)	-
Net fair value gain/(loss) on investment properties	(2,442)	5,960
Write-back of provisions/(Provisions) for impairment losses on:		
An associate	-	(107)
Properties held for sale	777	(620)
Properties under development	(134)	(149)
Foreign exchange gains/(losses) — net	(1,059)	1,964
Realised translation gains/(losses) reclassified to the statement of profit or loss relating to liquidation of foreign operations	(220)	5,720
	<b>(3,346)</b>	12,725

## 6. PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS

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

	Year ended 31 December 2021 HK\$'000	Nine months ended 31 December 2020 HK\$'000
Cost of sales:		
Cost of properties sold	(2,158)	(15,885)
Other	(2,182)	(1,754)
	<u>(4,340)</u>	<u>(17,639)</u>
Interest income:		
Loans and advances	62,185	46,242
Other	385	224
Depreciation of fixed assets	(5,882)	(4,624)
Depreciation of right-of-use assets	(262)	(277)
Legal and professional fees <sup>#</sup>	(3,390)	(4,799)
Consultancy and service fees <sup>#</sup>	(5,815)	(17,645)

<sup>#</sup> The amounts are included in "Other operating expenses" in the consolidated statement of profit or loss.

## 7. SHARE OF RESULTS OF JOINT VENTURES/INTERESTS IN JOINT VENTURES

Share of results of joint ventures for the year ended 31 December 2021 mainly included share of profit of Lippo ASM Asia Property Limited ("LAAPL", together with its subsidiaries, the "LAAPL Group") of HK\$636,166,000 (nine months ended 31 December 2020 — share of loss of HK\$957,501,000). The change was mainly attributable to the fair value gain of the financial assets of the joint venture, lower share of fair value loss on its investment properties and higher profit contribution from its equity-accounted investees for the year ended 31 December 2021.

LAAPL is the investment vehicle holding a controlling stake in OUE Limited ("OUE", together with its subsidiaries, the "OUE Group"). OUE is listed on the Mainboard of Singapore Exchange Securities Trading Limited (the "SGX-ST"). The OUE Group is a pan-Asian, full service real estate development, investment and management conglomerate with assets across the commercial, hospitality, retail, residential and healthcare sectors. Certain bank facilities of the LAAPL Group were secured by certain listed shares held under it.

## 8. INCOME TAX

	<b>Year ended 31 December 2021 HK\$'000</b>	Nine months ended 31 December 2020 HK\$'000
Hong Kong:		
Charge for the year/period	4,141	1,533
Overprovision in prior periods	(21)	-
Deferred	(32)	(162)
	<u>4,088</u>	<u>1,371</u>
Mainland China and overseas:		
Charge for the year/period	292	6,964
Overprovision in prior periods	(17,730)	-
Deferred:		
Current year	(1,070)	1,633
Effect of change in tax rate	(1,259)	-
	<u>(19,767)</u>	<u>8,597</u>
Total charge/(credit) for the year/period from continuing operations	<u>(15,679)</u>	<u>9,968</u>

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

## 9. DISCONTINUED OPERATION

In September 2020, the Group disposed of its remaining 20% interest in The Macau Chinese Bank Limited (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 results of the banking business for the nine months ended 31 December 2020 are presented below:

	Note	Nine months ended 31 December 2020 HK\$'000
Fair value loss on financial instrument at fair value through profit or loss		(46,780)
Share of results of a joint venture		<u>(284)</u>
<b>Loss before tax</b>		(47,064)
Income tax		<u>-</u>
<b>Loss after tax from discontinued operation</b>		(47,064)
Gain on disposal of discontinued operation		<u>181,663</u>
<b>Profit for the period from discontinued operation</b>		<u>134,599</u>
<b>Other comprehensive income</b>		
Share of fair value reserve of financial assets at fair value through other comprehensive income of a joint venture		519
Release of cumulative fair value reserve of financial assets at fair value through other comprehensive income from discontinued operation upon disposal		<u>282</u>
Other comprehensive income from discontinued operation		<u>801</u>
<b>Total comprehensive income for the period from discontinued operation</b>		<u><u>135,400</u></u>
		HK cents
<b>Earnings per share attributable to equity holders of the Company</b>	10	
Basic and diluted		
— For profit from discontinued operation		<u><u>6.7</u></u>

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

### (a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated based on (i) the consolidated profit/(loss) for the year/period attributable to equity holders of the Company; and (ii) the weighted average number of approximately 1,998,280,000 ordinary shares (nine months ended 31 December 2020 — approximately 1,998,280,000 ordinary shares) in issue during the year/period.

	<b>Year ended 31 December 2021 HK\$'000</b>	Nine months ended 31 December 2020 HK\$'000
Consolidated profit/(loss) attributable to equity holders of the Company:		
From continuing operations	<b>670,303</b>	(964,261)
From discontinued operation	-	134,599
	<b>670,303</b>	(829,662)

### (b) Diluted earnings/(loss) per share

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

## 11. DIVIDENDS

	<b>Year ended 31 December 2021 HK\$'000</b>	Nine months ended 31 December 2020 HK\$'000
Interim dividend, declared — Nil (nine months ended 31 December 2020 — HK1 cent per ordinary share)	-	19,983
Final dividend, proposed, of HK1.25 cents per ordinary share (nine months ended 31 December 2020 — HK0.75 cents per ordinary share)	<b>24,979</b>	14,987
	<b>24,979</b>	34,970

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

## 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:

	<b>31 December 2021 HK\$'000</b>	31 December 2020 HK\$'000
Outstanding balances with ages:		
Within 30 days	<b>48</b>	25
Between 31 and 60 days	-	25
Over 60 days	<b>87</b>	-
	<hr/> <b>135</b> <hr/>	<hr/> 50 <hr/>

## **BUSINESS REVIEW**

### **Overview**

The Year marked the second year of rampage by the COVID-19 coronavirus pandemic (the “**Pandemic**”) with its more contagious new variants continuing to batter businesses and public health throughout the world. However, recovery of advanced economies maintained momentum on the back of higher vaccination rates and gradual relaxation of restrictive health measures.

### **Results for the Year**

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

The Group recorded a consolidated profit attributable to shareholders of approximately HK\$670 million for the Year (2020 - loss of approximately HK\$830 million). The change was mainly attributable to the fair value gain of the financial assets of the LAAPL Group, lower share of fair value loss on its investment properties and higher profit contribution from its equity-accounted investees for the Year.

Revenue from continuing operations for the Year amounted to approximately HK\$81 million (2020 - approximately HK\$83 million). Property investment and development businesses contributed to 95% (2020 - 96%) of total revenue from continuing operations for the Year.

The Group’s other operating expenses mainly included legal and professional fees and consultancy and service fees. Other operating expenses from continuing operations amounted to approximately HK\$19 million for the Year (2020 - approximately HK\$29 million).

### *Property Investment*

Segment revenue from the property investment business was mainly attributable to recurrent rental income from the Group’s investment properties and interest income from the loans to joint ventures of the Company. Segment revenue for the Year amounted to approximately HK\$70 million (2020 - approximately HK\$50 million). Segment profit for the Year before accounting for the share of results from the Group’s joint ventures amounted to approximately HK\$48 million (2020 - approximately HK\$39 million).

LAAPL, a principal joint venture of the Company, held through its subsidiaries a controlling stake of approximately 71.0% equity interest in OUE as at 31 December 2021. OUE is listed on the Mainboard of the SGX-ST. The OUE Group is a leading pan-Asian, full service real estate development, investment and management conglomerate with assets across the commercial, hospitality, retail, residential and healthcare sectors. Best known for its landmark property portfolio in Singapore, the OUE Group consistently leverages its expertise in property development and asset management to maximise yields and unlock value. As at 31 December 2021, its real estate portfolio was valued at approximately S\$9.5 billion (approximately HK\$54.9 billion). It directly owns Downtown Gallery, a lifestyle retail mall in Singapore with net lettable area of approximately 13,000 sq.m.

In July 2021, a 40% owned joint venture of the OUE Group became the single largest shareholder of PT Matahari Department Store Tbk (“**MDS**”, which is listed on PT Bursa Efek Indonesia (Indonesia Stock Exchange) (the “**IDX**”)) after the acquisition of a total of approximately 32.0% interest therein through a voluntary tender offer and related acquisitions. MDS is a leading retail operator in Indonesia with nearly 1,000,000 sq.m. of retail space in total and a growing online presence. As at 31 December 2021, MDS operated 139 stores in 77 cities across Indonesia. In December 2021, the OUE Group acquired an approximately 17.2% interest in PT Multipolar Tbk (“**Multipolar**”, which is listed on the IDX; together with its subsidiaries, the “**Multipolar Group**”). Multipolar is a consumer and technology investment company with a portfolio of businesses spanning across various sectors including omnichannel retail, consumer services, telecommunications, multimedia, technology, financial services and industrial. The Multipolar Group’s retail division operates supermarkets, hypermarkets and other retail formats across more than 200 locations in Indonesia as well as e-grocery business. The aforesaid two strategic acquisitions will provide the OUE Group a prime opportunity to participate in Indonesia’s rapidly growing digital and consumer sectors.

The LAAPL Group had in aggregate an approximately 49.1% interest in OUE Commercial Real Estate Investment Trust (“**OUE C-REIT**”, which is listed on the Mainboard of the SGX-ST) (including the OUE Group’s 48.2% interest therein) as at 31 December 2021. OUE C-REIT’s portfolio of 7 high-quality prime properties includes OUE Bayfront, One Raffles Place, OUE Downtown Office, 1,080-room Hilton Singapore Orchard (formerly Mandarin Orchard Singapore), the adjoining Mandarin Gallery and the 563-room Crowne Plaza Changi Airport in Singapore as well as the properties at Lippo Plaza in Shanghai, the People’s Republic of China (the “**PRC**”), with more than 200,000 sq.m. of office and retail space and 1,643 upscale hotel rooms and suites. It is one of the largest diversified REITs listed on the Mainboard of the SGX-ST and had total assets of approximately S\$5.8 billion (approximately HK\$33.5 billion) as at 31 December 2021.

In March 2021, OUE C-REIT completed the divestment of a 50% interest in OUE Bayfront and its complementary properties which had an agreed value of S\$1,267.5 million (approximately HK\$7.4 billion). Hilton Singapore Orchard opened in late February 2022 as the largest Hilton property in Asia-Pacific and its flagship in Singapore following extensive refurbishment and rebranding of Mandarin Orchard Singapore featuring environmental sustainability. The high-end hotel offers one of the largest event venues in the heart of Singapore’s premier shopping and entertainment district with 16 modern and versatile meeting spaces totalling 2,400 sq.m for meetings, incentives, conventions and exhibitions. The addition of new income-generating spaces will drive future growth in sustainable returns and value. Hilton Singapore Orchard also features five curated dining concepts catering for all tastes and occasions. It is well positioned to capture the long-expected recovery of Singapore’s hospitality sector with Hilton’s strong brand recognition and global sales and distribution network.

During the Year, the OUE Group’s commercial properties remained resilient despite disruptions in business activities caused by the Pandemic and related safe management measures. Singapore office properties committed occupancy of OUE C-REIT’s portfolio was 91.2% as at 31 December 2021. The hospitality business declined in performance due to the refurbishment works for rebranding to Hilton Singapore Orchard and the Pandemic’s full-year impacts as compared to 2020.

The OUE Group had, as at 31 December 2021, an approximately 70.4% equity interest in OUE Lippo Healthcare Limited (“**OUELH**”, which is listed on the Catalist Board of the SGX-ST; together with its subsidiaries, the “**OUELH Group**”). The OUELH Group is a Pan-Asian healthcare group with a three-pronged growth strategy that owns, operates and invests in quality healthcare assets in high-growth Asian markets. It owned 12 quality nursing homes in Japan (collectively the “**Nursing Homes**”) which continued to provide stable rental revenue during the Year. Apart from Wuxi Lippo Xi Nan Hospital in the PRC which is in operation, the construction and development of Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital and Shenzhen China Merchants-Lippo Prince Bay Hospital in the PRC continue to progress as planned. The two hospitals to be operated by the OUELH Group’s joint venture with the China Merchants group are expected to be commissioned in 2023 and 2024 respectively. The OUELH Group’s 3 joint venture hospitals in Myanmar remained operational during the Year despite the Pandemic. It also owns a piece of land and a building in Wuxi, the PRC as well as a piece of land in each of Chengdu, the PRC and Kuala Lumpur, Malaysia.

As at 31 December 2021, the OUE Group, through the OUELH Group and First REIT Management Limited (the manager of First Real Estate Investment Trust (“**First REIT**”, which is listed on the Mainboard of the SGX-ST)), had an approximately 28.8% interest in First REIT. First REIT is a healthcare real estate investment trust which invests in a diversified portfolio of income-producing real estate and/or real estate-related assets within and outside Asia that are primarily used for healthcare and/or healthcare-related purposes. As at 31 December 2021, First REIT had 19 properties comprising 16 in Indonesia and 3 in Singapore after divestment of a property in South Korea during the Year. The OUE Group participated in First REIT’s rights issue of units carried out for facilitating First REIT’s refinancing and stable capital structure during the Year.

In March 2022, the OUELH Group divested its entire interests in the Nursing Homes to First REIT for a consideration of approximately S\$163.5 million (approximately HK\$944.9 million) which was mainly satisfied by new units in First REIT resulting in an increase in the OUELH Group’s direct interest in First REIT from approximately 15.3% to approximately 33.1% and the consolidation of First REIT as a subsidiary of the OUELH Group immediately after the divestment. The divestment has enhanced the OUELH Group’s capital structure and is in line with the OUELH Group’s asset-light strategy to focus on quality healthcare services delivery as well as repositioning First REIT with further diversification of its portfolio by geography and tenants.

The Group recorded a share of profit of joint ventures of approximately HK\$636 million from its investment in LAAPL for the Year (2020 - share of loss of approximately HK\$958 million). The positive change was mainly attributable to the fair value gain of the financial assets of the joint venture, lower share of fair value loss on its investment properties and higher profit contribution from its equity-accounted investees for the Year. The Group’s total interests in LAAPL as at 31 December 2021 amounted to approximately HK\$10.6 billion (31 December 2020 - approximately HK\$10.0 billion).

#### *Property Development*

The Group sold part of the remaining properties at Lippo Plaza in Beijing, the PRC during the Year. Segment revenue was approximately HK\$7 million (2020 - approximately HK\$29 million). Before accounting for the share of results from the Group’s associates and joint ventures, the segment recorded a loss of approximately HK\$0.5 million for the Year (2020 - profit of approximately HK\$15 million).

Sale of some of the remaining units of the luxurious Marina Collection in Sentosa, Singapore (in which the Group has a 50% interest) was completed during the Year. A portion of the remaining units is leased out. The Group shared a profit of associate of approximately HK\$18 million (2020 - approximately HK\$7 million) from the investment.

#### *Treasury and Securities Investments*

The Group managed its investment portfolio and looked for opportunities to enhance yields. Total revenue from treasury and securities investments businesses for the Year amounted to approximately HK\$1 million (2020 - approximately HK\$0.5 million). The treasury and securities investments businesses recorded a net profit of approximately HK\$2 million for the Year (2020 – approximately HK\$1 million).

#### **Financial Position**

The Group's financial position remained healthy. As at 31 December 2021, its total assets amounted to approximately HK\$11.6 billion (31 December 2020 - approximately HK\$11.1 billion). Property-related assets amounted to approximately HK\$11.4 billion as at 31 December 2021 (31 December 2020 - approximately HK\$10.9 billion), representing approximately 99% (31 December 2020 - approximately 98%) of total assets. Total liabilities as at 31 December 2021 amounted to approximately HK\$349 million (31 December 2020 - approximately HK\$401 million). Total cash and cash equivalents as at 31 December 2021 amounted to approximately HK\$122 million (31 December 2020 - approximately HK\$198 million). Current ratio as at 31 December 2021 increased to 4.0 (31 December 2020 – 1.3).

As at 31 December 2021, the Group's bank and other borrowings amounted to approximately HK\$273 million (31 December 2020 - approximately HK\$275 million), which included bank loans of approximately HK\$273 million (31 December 2020 – approximately HK\$145 million). As at 31 December 2020, the balance also included a loan from a holding company of approximately HK\$130 million which was refinanced by the bank borrowings during the Year. The bank loans were denominated in Hong Kong dollars and carried interest at floating rate. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure. As at 31 December 2021, all the bank and other borrowings were repayable after three years (31 December 2020 – 53% of the bank and other borrowings repayable within one year). The gearing ratio (measured as total borrowings to equity attributable to equity holders of the Company) was 2.4% as at 31 December 2021 (31 December 2020 – 2.6%).

After accounting for the net profit for the Year, the net asset value attributable to equity holders of the Company increased to approximately HK\$11.2 billion as at 31 December 2021 (31 December 2020 - approximately HK\$10.7 billion). This was equivalent to HK\$5.6 per share (31 December 2020 - HK\$5.3 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, swaps and currency loans would be used to manage the foreign exchange exposure.

The Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Year (31 December 2020 — Nil).

The Group's investments or capital assets will be financed by its internal resources and/or external bank financing, as appropriate. As at 31 December 2021, the Group had no material outstanding commitment (31 December 2020 - approximately HK\$0.1 million).

## Staff and Remuneration

The number of employees of the Group was 41 as at 31 December 2021 (31 December 2020 - 41 employees). Staff costs (including Directors' emoluments) charged to the statement of profit or loss during the Year amounted to approximately HK\$27 million (2020 - approximately HK\$23 million). The Group ensures that its employees are offered competitive remuneration packages. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

## PROSPECTS

A growing number of countries, including Singapore, across the world have uplifted or announced plans to uplift all or part of lock-down and other containment measures against the Pandemic since the first quarter of 2022 despite the prevalence of more transmissible yet milder Omicron variant. This is an encouraging development which will revitalise global economy as well as international travel and tourism. While the Group and its joint ventures are poised to capitalise on economic and travel recovery, they will remain vigilant towards adverse factors such as the possibility of new threats of the Pandemic, geo-political uncertainties, widely expected interest rate hikes driven by inflation and changes of government policies in investment destinations. The Group and its joint ventures will continue to monitor and adapt to any changes to the operating environment and will exercise prudence in their capital management and expenditure.

## DIVIDENDS

The Directors have resolved to recommend to shareholders at the forthcoming Annual General Meeting of the Company to be held on Wednesday, 8 June 2022 (the "AGM") the payment of a final dividend of HK1.25 cents per share (2020 - a final dividend of HK0.75 cents per share) amounting to approximately HK\$25 million for the Year (the "Final Dividend") (2020 - approximately HK\$15 million). In the absence of an interim dividend (2020 - HK1 cent per share), the total dividend for the Year will be HK1.25 cents per share (2020 - HK1.75 cents per share) amounting to approximately HK\$25 million (2020 - approximately HK\$35 million). Subject to the approval of shareholders at the AGM, the Final Dividend will be paid on Friday, 24 June 2022 to shareholders whose names appear on the Company's Register of Members on Friday, 17 June 2022.

## CLOSURE OF REGISTER OF MEMBERS

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

- (1) From Thursday, 2 June 2022 to Wednesday, 8 June 2022 (both dates inclusive) during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be entitled to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with Tricor Tengis Limited ("Tricor"), the Company's Branch Share Registrar in Hong Kong, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (the "Tricor Address") not later than 4:30 p.m. on Wednesday, 1 June 2022; and
- (2) From Wednesday, 15 June 2022 to Friday, 17 June 2022 (both dates inclusive) during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to the Final Dividend. In order to qualify for the Final Dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with Tricor at the Tricor Address not later than 4:30 p.m. on Tuesday, 14 June 2022.

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

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

## **CORPORATE GOVERNANCE**

The Company is committed to ensuring a high standard of corporate governance practices. 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 to the Listing Rules for the Year.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "**Committee**"). The existing members of the Committee comprise three independent non-executive Directors, namely Messrs King Fai Tsui (Chairman), Victor Ha Kuk Yung and Edwin Neo, and one non-executive Director, Mr Leon Nim Leung Chan. The Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and financial reporting matters and has reviewed and agreed with the consolidated financial statements of the Group for the Year.

## **AUDITOR'S PROCEDURES ON THIS PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Group's independent auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this preliminary announcement.

By Order of the Board  
**HONGKONG CHINESE LIMITED**  
**John Luen Wai Lee**  
*Chief Executive Officer*

31 March 2022

*As at the date of this announcement, the executive Directors of the Company are Dr Stephen Riady (Chairman) and Mr John Luen Wai Lee (Chief Executive Officer); the non-executive Director of the Company is Mr Leon Nim Leung Chan; and the independent non-executive Directors of the Company are Messrs Victor Ha Kuk Yung, King Fai Tsui and Edwin Neo.*

*\* For identification purpose only*