



Hongkong Chinese Limited
香港華人有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 655)

2022

INTERIM REPORT

**For identification purpose only*

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The Board of Directors (the “Board”) of Hongkong Chinese Limited (the “Company”) presents the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2022 (the “Period”).

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022

	Note	Unaudited Six months ended 30 June	
		2022 HK\$'000	2021 HK\$'000
Revenue	4	36,656	41,159
Cost of sales		(945)	(3,216)
Gross profit		35,711	37,943
Administrative expenses		(18,181)	(17,255)
Other operating expenses	6	(9,860)	(9,766)
Other gains/(losses) — net	5	19,745	(117)
Finance costs		(3,785)	(8,356)
Share of results of associates		6,393	5,035
Share of results of joint ventures	7	268,653	170,133
Profit before tax	6	298,676	177,617
Income tax	8	(2,048)	(2,178)
Profit for the period		296,628	175,439
Attributable to:			
Equity holders of the Company		297,144	176,035
Non-controlling interests		(516)	(596)
		296,628	175,439
		HK cents	HK cents
Earnings per share attributable to equity holders of the Company			
Basic and diluted	9	14.9	8.8

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Profit for the period	296,628	175,439
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	(21,791)	(7,449)
Exchange differences reclassified to profit or loss upon liquidation of foreign operations	(21,689)	–
Share of other comprehensive income/(loss) of joint ventures:		
Exchange differences on translation of foreign operations	(449,488)	(92,314)
Other reserve	51,931	32,816
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	(441,037)	(66,947)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity instruments at fair value through other comprehensive income	(14)	(7)
Share of changes in fair value of equity instruments at fair value through other comprehensive income of joint ventures	(281,634)	(9,125)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods, net of tax	(281,648)	(9,132)
Other comprehensive loss for the period, net of tax	(722,685)	(76,079)
Total comprehensive income/(loss) for the period	(426,057)	99,360
Attributable to:		
Equity holders of the Company	(424,670)	99,726
Non-controlling interests	(1,387)	(366)
	(426,057)	99,360

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Note	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Non-current assets			
Fixed assets		14,127	17,207
Investment properties		147,114	151,491
Right-of-use assets		107	240
Interests in associates	11	363,212	365,888
Interests in joint ventures	7	10,409,201	10,789,640
Financial assets at fair value through other comprehensive income		71	91
Financial assets at fair value through profit or loss		3,200	3,100
		10,937,032	11,327,657
Current assets			
Properties held for sale		67,197	69,663
Properties under development		24,479	28,471
Loans and advances		7,693	8,210
Debtors, prepayments and other assets	12	2,395	3,189
Financial assets at fair value through profit or loss		8,098	10,684
Tax recoverable		162	157
Cash and cash equivalents		128,298	122,211
		238,322	242,585
Current liabilities			
Lease liabilities		112	251
Other payables, accruals and other liabilities		21,182	26,309
Tax payable		35,450	34,731
		56,744	61,291
Net current assets		181,578	181,294
Total assets less current liabilities		11,118,610	11,508,951

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2022

	Note	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Non-current liabilities			
Bank loans	13	334,333	272,556
Deferred tax liabilities		14,900	15,572
		349,233	288,128
Net assets			
		10,769,377	11,220,823
Equity			
Equity attributable to equity holders of the Company			
Share capital	14	1,998,280	1,998,280
Reserves	15	8,752,322	9,202,381
		10,750,602	11,200,661
Non-controlling interests		18,775	20,162
		10,769,377	11,220,823

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Unaudited																
	Attributable to equity holders of the Company									Total equity							
	Share capital	Share premium account	Capital redemption reserve (Note 15(b))	Fair value reserve of financial assets at FVOCI*	Hedging reserve (Note 15(c))	Exchange equalisation reserve	Distributable reserves (Note 15(b))	Total	Non-controlling interests								
											HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2022											1,998,280	92,775	22,144	(173,552)	(16,326)	667,559	8,609,781
Profit/(Loss) for the period	-	-	-	-	-	-	297,144	297,144	(516)	296,628							
Other comprehensive income/(loss) for the period:																	
Exchange differences on translation of foreign operations	-	-	-	-	-	(20,920)	-	(20,920)	(871)	(21,791)							
Exchange differences reclassified to profit or loss upon liquidation of foreign operations	-	-	-	-	-	(21,689)	-	(21,689)	-	(21,689)							
Changes in fair value of equity instruments at fair value through other comprehensive income	-	-	-	(14)	-	-	-	(14)	-	(14)							
Share of other comprehensive income/(loss) of joint ventures	-	-	-	(281,634)	51,931	(449,488)	-	(679,191)	-	(679,191)							
Total comprehensive income/(loss) for the period	-	-	-	(281,648)	51,931	(492,097)	297,144	(424,670)	(1,387)	(426,057)							
Share of equity movements arising on equity transactions of joint ventures	-	-	-	-	-	-	(410)	(410)	-	(410)							
Share of transfer of reserve of joint ventures	-	-	-	(15,192)	-	-	15,192	-	-	-							
2021 final dividend declared and paid to shareholders of the Company	-	-	-	-	-	-	(24,979)	(24,979)	-	(24,979)							
At 30 June 2022	1,998,280	92,775	22,144	(470,392)	35,605	175,462	8,896,728	10,750,602	18,775	10,769,377							
At 1 January 2021	1,998,280	92,775	22,144	24,950	(71,752)	693,051	7,908,291	10,667,739	20,017	10,687,756							
Profit/(Loss) for the period	-	-	-	-	-	-	176,035	176,035	(596)	175,439							
Other comprehensive income/(loss) for the period:																	
Exchange differences on translation of foreign operations	-	-	-	-	-	(7,679)	-	(7,679)	230	(7,449)							
Changes in fair value of equity instruments at fair value through other comprehensive income	-	-	-	(7)	-	-	-	(7)	-	(7)							
Share of other comprehensive income/(loss) of joint ventures	-	-	-	(9,125)	32,816	(92,314)	-	(68,623)	-	(68,623)							
Total comprehensive income/(loss) for the period	-	-	-	(9,132)	32,816	(99,993)	176,035	99,726	(366)	99,360							
Share of equity movements arising on equity transactions of joint ventures	-	-	-	-	-	-	(44,272)	(44,272)	-	(44,272)							
2020 final dividend declared and paid to shareholders of the Company	-	-	-	-	-	-	(14,987)	(14,987)	-	(14,987)							
At 30 June 2021	1,998,280	92,775	22,144	15,818	(38,936)	593,058	8,025,067	10,708,206	19,651	10,727,857							

* FVOCI stands for fair value through other comprehensive income.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Net cash flows used in operating activities	(23,309)	(33,172)
Cash flows from investing activities		
Advances to joint ventures	–	(40,765)
Other net cash flows arising from investing activities	(17)	(53)
Net cash flows used in investing activities	(17)	(40,818)
Cash flows from financing activities		
Drawdown of bank and other borrowings	60,000	330,000
Repayment of bank and other borrowings	–	(280,000)
Finance costs paid	(1,993)	(17,989)
Dividends paid to shareholders of the Company	(24,979)	(34,970)
Other net cash flows arising from financing activities	(133)	(130)
Net cash flows from/(used in) financing activities	32,895	(3,089)
Net increase/(decrease) in cash and cash equivalents	9,569	(77,079)
Cash and cash equivalents at beginning of period	122,211	198,489
Exchange realignments	(3,482)	772
Cash and cash equivalents at end of period	128,298	122,182

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 “Stock Exchange”) (the “Listing Rules”). 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 year ended 31 December 2021.

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 year ended 31 December 2021, 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 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018–2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The adoption of the revised HKFRSs has had no significant financial effect on these financial statements. 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 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.

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)

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Other HK\$'000	Consolidated HK\$'000
Six months ended 30 June 2022						
Revenue — external	34,489	–	187	314	1,666	36,656
Segment results	27,445	19,289	187	(1,047)	(873)	45,001
Unallocated corporate expenses						(21,371)
Share of results of associates	–	6,393	–	–	–	6,393
Share of results of joint ventures	268,653	–	–	–	–	268,653
Profit before tax						298,676
Other segment information:						
Depreciation	(13)	–	–	–	(134)	(147)
Interest income	30,479	–	187	–	122	30,788
Finance costs	(3,782)	–	–	–	(3)	(3,785)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	–	22,055	–	–	–	22,055
Net fair value loss on financial instruments at fair value through profit or loss	–	–	–	(1,355)	–	(1,355)
Unallocated:						
Capital expenditure (Note)						17
Depreciation						(2,778)
Realised translation losses reclassified to the statement of profit or loss relating to liquidation of foreign operations						(366)
Six months ended 30 June 2021						
Revenue — external	34,569	3,622	188	333	2,447	41,159
Segment results	22,417	(1,429)	188	788	639	22,603
Unallocated corporate expenses						(20,154)
Share of results of associates	–	5,035	–	–	–	5,035
Share of results of joint ventures	170,153	(20)	–	–	–	170,133
Profit before tax						177,617
Other segment information:						
Capital expenditure (Note)	39	–	–	–	–	39
Depreciation	(6)	–	–	–	(136)	(142)
Interest income	30,918	–	188	–	128	31,234
Finance costs	(8,347)	–	–	–	(9)	(8,356)
Loss on disposal of fixed assets	–	(29)	–	–	–	(29)
Net fair value gain on financial instruments at fair value through profit or loss	–	–	–	459	–	459
Unallocated:						
Depreciation						(2,884)

Note: Capital expenditure includes additions to fixed assets.

Notes to the Interim Financial Statements (Continued)

3. SEGMENT INFORMATION (Continued)

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Other HK\$'000	Consolidated HK\$'000
At 30 June 2022 (unaudited)						
Segment assets	180,763	80,795	108,937	11,369	7,873	389,737
Interests in associates	6,051	357,161	-	-	-	363,212
Interests in joint ventures	10,409,201	-	-	-	-	10,409,201
Unallocated assets						13,204
Total assets						11,175,354
Segment liabilities	338,613	9,685	-	-	215	348,513
Unallocated liabilities						57,464
Total liabilities						405,977
At 31 December 2021 (audited)						
Segment assets	185,303	87,348	102,920	13,875	8,521	397,967
Interests in associates	6,520	359,368	-	-	-	365,888
Interests in joint ventures	10,789,640	-	-	-	-	10,789,640
Unallocated assets						16,747
Total assets						11,570,242
Segment liabilities	278,218	10,491	-	-	344	289,053
Unallocated liabilities						60,366
Total liabilities						349,419

4. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Revenue from contracts with customers:		
Sale of properties	-	3,622
Provision of project management services	1,534	2,296
	1,534	5,918
Revenue from other sources:		
Property rental income from operating leases	4,010	3,651
Interest income	30,788	31,234
Dividend income	314	333
Other	10	23
	36,656	41,159

Notes to the Interim Financial Statements (Continued)

4. REVENUE (Continued)

Disaggregated revenue information for revenue from contracts with customers

Segments	Property development HK\$'000	Other HK\$'000	Total HK\$'000
Six months ended 30 June 2022			
Types of goods or services:			
Provision of project management services	–	1,534	1,534
Total revenue from contracts with customers	–	1,534	1,534
Geographical markets:			
Republic of Singapore	–	1,534	1,534
Total revenue from contracts with customers	–	1,534	1,534
Timing of revenue recognition:			
Services transferred over time	–	1,534	1,534
Total revenue from contracts with customers	–	1,534	1,534
Six months ended 30 June 2021			
Types of goods or services:			
Sale of properties	3,622	–	3,622
Provision of project management services	–	2,296	2,296
Total revenue from contracts with customers	3,622	2,296	5,918
Geographical markets:			
Mainland China	3,622	–	3,622
Republic of Singapore	–	2,296	2,296
Total revenue from contracts with customers	3,622	2,296	5,918
Timing of revenue recognition:			
Goods transferred at a point in time	3,622	–	3,622
Services transferred over time	–	2,296	2,296
Total revenue from contracts with customers	3,622	2,296	5,918

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	Property development HK\$'000	Other HK\$'000	Total HK\$'000
Six months ended 30 June 2022			
Revenue from contracts with external customers	–	1,534	1,534
Revenue from other sources — external	–	132	132
Total segment revenue	–	1,666	1,666
Six months ended 30 June 2021			
Revenue from contracts with external customers	3,622	2,296	5,918
Revenue from other sources — external	–	151	151
Total segment revenue	3,622	2,447	6,069

5. OTHER GAINS/(LOSSES) — NET

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Financial assets at fair value through profit or loss mandatorily classified as such, including those held for trading:		
Equity securities	(1,452)	392
Debt securities	100	20
Investment funds	(3)	47
	(1,355)	459
Loss on disposal of fixed assets	–	(29)
Foreign exchange losses — net	(589)	(547)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	21,689	–
	19,745	(117)

Notes to the Interim Financial Statements (Continued)

6. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Interest income:		
Loans and advances	30,601	31,046
Other	187	188
Depreciation of fixed assets	(2,795)	(2,894)
Depreciation of right-of-use assets	(130)	(132)
Legal and professional fees (Note)	(1,682)	(1,556)
Consultancy and service fees (Note)	(2,905)	(2,906)
Cost of properties sold	–	(1,969)

Note: The amounts are included in "Other operating expenses" in the condensed 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 six months ended 30 June 2022 mainly included share of profit of Lippo ASM Asia Property Limited ("LAAPL", together with its subsidiaries, the "LAAPL Group") of HK\$271,049,000 (2021 — HK\$172,600,000). The increase in profit was mainly due to the improvement in the performance of the hospitality business and net fair value gain of financial assets of the joint venture and increase in profit contribution from its equity-accounted investees for the six months ended 30 June 2022. As at 30 June 2022, the Group's total interests in LAAPL was approximately HK\$10,264,696,000 (31 December 2021 — HK\$10,643,213,000).

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, healthcare and consumer sectors. Certain bank facilities of the LAAPL Group were secured by certain listed shares held under it.

Notes to the Interim Financial Statements (Continued)

8. INCOME TAX

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Hong Kong:		
Charge for the period	2,105	2,300
Underprovision in prior periods	–	4
Deferred	(10)	(17)
	2,095	2,287
Mainland China and overseas:		
Charge for the period	159	128
Deferred	(206)	(237)
	(47)	(109)
Total charge for the period	2,048	2,178

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (2021 — 8.25% or 16.5%), as appropriate. For the companies operating in mainland China and the Republic of Singapore, corporate taxes have been calculated on the estimated assessable profits for the period at the rates of 25% and 17% (2021 — 25% and 17%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

9. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(a) Basic earnings per share

Basic earnings per share is calculated based on (i) the consolidated profit for the period attributable to equity holders of the Company; and (ii) the weighted average number of approximately 1,998,280,000 ordinary shares (2021 — approximately 1,998,280,000 ordinary shares) in issue during the period.

(b) Diluted earnings per share

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2022 and 2021.

10. INTERIM DIVIDEND

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Interim dividend, declared, of HK1 cent per ordinary share (2021 — Nil)	19,983	–

The interim dividend was declared after the end of the reporting period and hence was not accrued on that date.

Notes to the Interim Financial Statements (Continued)

11. INTERESTS IN ASSOCIATES

Greenix Limited (“Greenix”) is considered as a material associate of the Group. As at 30 June 2022, the Group’s interest in Greenix was approximately HK\$357,161,000 (31 December 2021 — HK\$359,368,000). Greenix and its subsidiaries are engaged in property development in Singapore.

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 2022 HK\$’000	31 December 2021 HK\$’000
Outstanding balances with ages:		
Within 30 days	23	48
Over 60 days	–	87
	23	135

13. BANK LOANS

	30 June 2022 HK\$’000	31 December 2021 HK\$’000
Unsecured bank loans (Note)	334,333	272,556
Bank loans repayable:		
In the third to fifth years, inclusive	334,333	272,556

Note: The Group’s bank loans were denominated in Hong Kong dollars and bore interest at floating rate. The Company has provided corporate guarantee for the bank loans granted to a subsidiary of the Company.

14. SHARE CAPITAL

	30 June 2022 HK\$’000	31 December 2021 HK\$’000
Authorised:		
4,000,000,000 (31 December 2021 – 4,000,000,000) ordinary shares of HK\$1.00 each	4,000,000	4,000,000
Issued and fully paid:		
1,998,280,097 (31 December 2021 – 1,998,280,097) ordinary shares of HK\$1.00 each	1,998,280	1,998,280

15. RESERVES

The amounts of the Group's reserves and movements therein for the current and prior periods are presented in the condensed consolidated statement of changes in equity on page 6.

Note:

- (a) Cancellation of the share premium account and transfer to distributable reserves:
Pursuant to a special resolution passed at a special general meeting of the Company on 2 December 1997, the entire amount standing to the credit of the share premium account of HK\$3,630,765,000 was cancelled (the "Cancellation"). The credit arising from the Cancellation was transferred to distributable reserves. The balance of the reserves arising from the Cancellation could be applied towards any capitalisation issues of the Company in future, or for making distributions to shareholders of the Company.
- (b) Distributable reserves of the Group as at 30 June 2022 comprised retained profits of HK\$8,151,753,000 (31 December 2021 — HK\$7,864,806,000) and the remaining balance arising from the Cancellation of HK\$744,975,000 (31 December 2021 — HK\$744,975,000). The distributable reserves and the capital redemption reserve are available for distribution to shareholders.
- (c) The hedging reserve relates to the Group's share of the hedging reserve under joint ventures.

16. CONTINGENT LIABILITIES

As at 30 June 2022, the Group had no material contingent liabilities (31 December 2021 — Nil).

17. 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 2022:

- (a) During the period, the Company paid rental expenses (including service charges) of HK\$658,000 (2021 — HK\$582,000) to a fellow subsidiary of the Company, in respect of office premises occupied by the Company. The rental was determined by reference to the then prevailing open market rentals.
- (b) During the period, the Group received interest income of HK\$30,479,000 (2021 — HK\$30,918,000) from joint ventures of the Group.
- (c) During the period, the Group received revenue from the provision of project management services of HK\$1,431,000 (2021 — HK\$2,156,000) from an associate of the Group.
- (d) As at 30 June 2022, the Group had amounts due from associates of HK\$6,051,000 (31 December 2021 — HK\$6,520,000), which are unsecured, interest-free and repayable on demand.
- (e) As at 30 June 2022, the Group had amounts due from joint ventures of HK\$2,723,992,000 (31 December 2021 — HK\$2,758,960,000) and amount due to a joint venture of HK\$4,229,000 (31 December 2021 — HK\$4,363,000). The amounts due from joint ventures included balances of HK\$2,543,761,000 (31 December 2021 — HK\$2,579,512,000), which are unsecured, bear interest at rates ranging from nil to 2.25% per annum (31 December 2021 — nil to 2.25% per annum) and are repayable on demand. The amounts due from joint ventures also included balances of HK\$166,386,000 (31 December 2021 — HK\$165,603,000), which are unsecured, bear interest at rates ranging from nil to 7% per annum (31 December 2021 — nil to 7% 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.

18. 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 2022 HK\$'000	31 December 2021 HK\$'000	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Financial assets				
Financial assets at fair value through other comprehensive income	71	91	71	91
Financial assets at fair value through profit or loss	11,298	13,784	11,298	13,784
	11,369	13,875	11,369	13,875

Management has assessed that the fair values of cash and cash equivalents, financial assets included in debtors, prepayments and other assets, loans and advances, amounts due from associates and joint ventures and financial liabilities included in other payables, 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 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 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. As at 31 December 2021, for unlisted investment funds classified under Level 3 of the fair value measurement hierarchy, when the net asset value increases/decreases by 3%, the fair value will be increased/decreased by HK\$14,000.

Notes to the Interim Financial Statements (Continued)

18. 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 2022				
Financial assets at fair value through other comprehensive income:				
Equity securities	71	–	–	71
Financial assets at fair value through profit or loss:				
Equity securities	8,098	–	–	8,098
Debt securities	–	3,200	–	3,200
	8,169	3,200	–	11,369
At 31 December 2021				
Financial assets at fair value through other comprehensive income:				
Equity securities	91	–	–	91
Financial assets at fair value through profit or loss:				
Equity securities	10,201	–	–	10,201
Debt securities	–	3,100	–	3,100
Investment funds	–	–	483	483
	10,292	3,100	483	13,875

Notes to the Interim Financial Statements (Continued)

18. 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:

	Investment funds at fair value through profit or loss HK\$'000
At 1 January 2022	483
Total loss recognised in the statement of profit or loss	(3)
Distributions	(480)
At 30 June 2022	–
At 1 January 2021	2,073
Total gains recognised in the statement of profit or loss	47
Distributions	(937)
At 30 June 2021	1,183

During the six months ended 30 June 2022, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2021 — 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.

Business Review and Prospects

Business Review

Overview

Following the progressive lifting of restrictions relating to the COVID-19 coronavirus pandemic (the “Pandemic”) and reopening of borders in Singapore during the Period, business confidence there continued to revitalise on the back of a recovery in consumption and tourist arrivals thereby contributing to the significant improvement in the performance of the Group’s joint ventures in Singapore while the Group’s businesses remained moderate due to the market conditions.

Results for the Period

The Group recorded a consolidated profit attributable to shareholders of approximately HK\$297 million for the Period (2021 — approximately HK\$176 million). The increase in profit was largely attributable to increase of share of profit of the LAAPL Group mainly resulted from the improvement in the performance of the hospitality business and net fair value gain of financial assets of the joint venture and increase in profit contribution from its equity-accounted investees.

Revenue for the Period amounted to approximately HK\$37 million (2021 — approximately HK\$41 million). Property investment and development businesses contributed to 94% (2021 — 93%) of total revenue for the Period.

The Group’s other operating expenses mainly included legal and professional fees and consultancy and service fees. Other operating expenses amounted to approximately HK\$10 million for the Period (2021 — approximately HK\$10 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 Period amounted to approximately HK\$34 million (2021 — approximately HK\$35 million). Segment profit for the Period before accounting for the share of results from the Group’s joint ventures amounted to approximately HK\$27 million (2021 — approximately HK\$22 million).

Business Review and Prospects (Continued)

LAAPL, a principal joint venture of the Company, held through its subsidiaries a controlling stake of approximately 71.3% equity interest in OUE as at 30 June 2022. 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, healthcare and consumer 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 yield and unlock value. As at 30 June 2022, its total real estate portfolio was valued at approximately S\$9.4 billion (approximately HK\$53 billion). It directly owns Downtown Gallery, a lifestyle retail mall in Singapore with net lettable area of approximately 13,000 sq.m.

The OUE Group participates in Indonesia's rapidly growing digital and consumer sectors through a 40% owned joint venture which had an approximately 32% interest in PT Matahari Department Store Tbk ("MDS", which is listed on PT Bursa Efek Indonesia (Indonesia Stock Exchange) (the "IDX")) as at 30 June 2022. 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 30 June 2022, MDS operated 140 stores in 77 cities across Indonesia. The OUE Group also had an approximately 16% 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 LAAPL Group had in aggregate an approximately 49.2% 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 approximately 48.3% interest therein) as at 30 June 2022. 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, 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 billion) as at 30 June 2022.

Business Review and Prospects (Continued)

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 recovery of Singapore's hospitality sector from the Pandemic with Hilton's strong brand recognition and global sales and distribution network.

During the Period, the committed occupancy of OUE C-REIT's Singapore office properties increased to approximately 92.9% as at 30 June 2022 as a result of improvements in office leasing momentum and focus on prioritising occupancy. Mandarin Gallery's shopper traffic and tenants' sales improved to approximately 90% and 85% of the pre-Pandemic levels respectively. There was strong demand at both Hilton Singapore Orchard and Crowne Plaza Changi Airport attributable to the increase in Singapore's tourist arrivals and corporate and leisure bookings, with overall revenue per available room increasing significantly.

The OUE Group had, as at 30 June 2022, 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 businesses in high-growth Asian markets. 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 Period 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.

Business Review and Prospects (Continued)

In March 2022, the OUE LH Group divested its entire interests in 12 quality nursing homes in Japan to First Real Estate Investment Trust (“First REIT”, which is listed on the Mainboard of the SGX-ST) for a consideration of approximately S\$160.6 million (approximately HK\$929 million) which was mainly satisfied by new units in First REIT resulting in an increase in the OUE LH 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 OUE LH Group immediately after the divestment. As at 30 June 2022, the OUE Group, through the OUE LH Group and First REIT Management Limited (the manager of First REIT), had an approximately 44% interest in First REIT. The divestment has enhanced the OUE LH Group’s capital structure and is in line with the OUE LH 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. In June 2022, a joint venture in which the OUE LH Group and the OUE Group hold 60% and 40% respectively completed the acquisition through another 60% owned joint venture of a 60% interest in each of two respiratory and one cardiothoracic medical practices in Singapore for a total consideration of approximately S\$40.4 million (approximately HK\$228 million). The partnership is an important milestone for the OUE LH Group’s building of a regional healthcare ecosystem comprising full spectrum of tiered healthcare services anchored on Singapore medical best practices.

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 in Asia that are primarily used for healthcare and/or healthcare-related purposes. As at 30 June 2022, First REIT had 31 properties comprising 16 in Indonesia, 3 in Singapore and 12 in Japan. In May 2022, First REIT announced a conditional sale of its entire interest in Siloam Hospitals Surabaya in Indonesia for a consideration of Rp430 billion (approximately HK\$228 million) in line with its capital recycling initiative for mature assets under its 2.0 Growth Strategy.

The Group recorded a share of profit of joint ventures of approximately HK\$271 million from its investment in LAAPL for the Period (2021 — approximately HK\$173 million). The positive change was mainly attributable to the improvement in the performance of the hospitality business and net fair value gain of financial assets of the joint venture and increase in profit contribution from its equity-accounted investees for the Period. Coupled with the depreciation of Singapore dollar and share of fair value loss of its financial assets at fair value through other comprehensive income in reserves during the Period, the Group’s total interests in LAAPL as at 30 June 2022 amounted to approximately HK\$10.3 billion (31 December 2021 — approximately HK\$10.6 billion).

Property Development

Sale of the remaining properties at Lippo Plaza in Beijing, the PRC remained sluggish due to persistent local market conditions. No sale was completed during the Period while segment revenue of HK\$4 million was recorded in 2021 from the sale of remaining properties. The dissolution of a joint venture which was previously engaged in property development project in Singapore was completed during the Period. The accumulated translation gain of HK\$22 million in the exchange equalisation reserve was released to the statement of profit or loss accordingly. As a result, the segment recorded a profit of approximately HK\$19 million for the Period (2021 — loss of approximately HK\$1 million) before accounting for the share of results from the Group's associates and joint ventures.

Sale of some units of the luxurious Marina Collection in Sentosa, Singapore (in which the Group has a 50% interest) was completed during the Period. A portion of the remaining units is leased out. The Group shared a profit of associate of approximately HK\$6 million (2021 — approximately HK\$5 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 Period amounted to approximately HK\$0.5 million (2021 — approximately HK\$0.5 million). Equity markets registered significant losses during the Period. The Group recorded a net fair value loss of approximately HK\$1.4 million in the statement of profit or loss from its securities investments for the Period as compared with a net gain of approximately HK\$0.5 million in 2021 under this segment. As a result, the treasury and securities investments businesses recorded a net loss of approximately HK\$0.9 million for the Period (2021 — gain of approximately HK\$1 million).

Financial Position

The Group's financial position remained healthy. As at 30 June 2022, its total assets amounted to approximately HK\$11.2 billion (31 December 2021 — approximately HK\$11.6 billion). Property-related assets amounted to approximately HK\$11.0 billion as at 30 June 2022 (31 December 2021 — approximately HK\$11.4 billion), representing approximately 99% (31 December 2021 — approximately 99%) of total assets. Total liabilities as at 30 June 2022 amounted to approximately HK\$406 million (31 December 2021 — approximately HK\$349 million). Total cash and cash equivalents as at 30 June 2022 amounted to approximately HK\$128 million (31 December 2021 — approximately HK\$122 million). Current ratio as at 30 June 2022 increased to 4.2 (31 December 2021 — 4.0).

Business Review and Prospects (Continued)

As at 30 June 2022, the Group's bank loans amounted to approximately HK\$334 million (31 December 2021 — approximately HK\$273 million). 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 30 June 2022, all the bank and other borrowings were repayable after three years (31 December 2021 — all of the bank and other borrowings repayable after three years). The gearing ratio (measured as total borrowings to equity attributable to equity holders of the Company) was 3.1% as at 30 June 2022 (31 December 2021 — 2.4%).

The net asset value attributable to equity holders of the Company decreased to approximately HK\$10.8 billion as at 30 June 2022 (31 December 2021 — approximately HK\$11.2 billion), which was mainly attributable to the share of reduction in reserves of LAAPL Group offset with net profit for the Period. This was equivalent to HK\$5.4 per share (31 December 2021 — HK\$5.6 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 Period (31 December 2021 — Nil).

The Group's investments or capital assets will be financed by its internal resources and/or external bank financing, as appropriate. As at 30 June 2022, the Group had no material outstanding commitment (31 December 2021 — Nil).

Staff and Remuneration

The number of employees of the Group was 39 as at 30 June 2022 (30 June 2021 — 41 employees). Staff costs (including Directors' emoluments) charged to the statement of profit or loss during the Period amounted to approximately HK\$13 million (2021 — approximately HK\$12 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 Group's joint ventures with diversified portfolio of businesses and network are poised to capitalise on growth opportunities following the easing of the Pandemic-related restrictions and reopening of borders as well as recovery in economy and international travel, in Singapore and Indonesia particularly. The Group and its joint ventures will continue to manage their capital resources and expenditure prudently amid the ongoing Pandemic, geo-political uncertainties, global inflation and interest rate hikes as well as recession risk.

Additional Information

Interim Dividend

The Directors have resolved to declare the payment of an interim dividend of HK1 cent (2021 — Nil) per share amounting to approximately HK\$20 million for the Period (2021 — Nil), which will be paid on Friday, 21 October 2022 to shareholders whose names appear on the Company's Register of Members on Friday, 7 October 2022.

Closure of Register of Members

The Register of Members of the Company will be closed from Wednesday, 5 October 2022 to Friday, 7 October 2022 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend for the Period, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with Tricor Tengis Limited, the Company's Branch Share Registrar in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 3 October 2022.

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 2022, 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" and each an "Associated Corporation"), 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules (the "Model Code"), were as follows:

Additional Information (Continued)

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
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Number of ordinary shares in the Company

Stephen Riady ("Dr Riady")	–	–	1,477,715,492 <i>Notes (i) and (ii)</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

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 in Lippo China Resources Limited ("LCR")

Stephen Riady	–	–	6,890,184,389 <i>Notes (i) and (iii)</i>	6,890,184,389	74.99
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Notes:

- (i) As at 30 June 2022, Lippo Capital Limited ("Lippo Capital"), an Associated Corporation, and through its wholly-owned subsidiary, J & S Company Limited ("J & S"), was directly and indirectly interested in an aggregate of 369,800,219 ordinary shares in Lippo, representing approximately 74.98% of the issued shares thereof. Lippo Capital was a 60% owned subsidiary of Lippo Capital Holdings Company Limited ("Lippo Capital Holdings"), an Associated Corporation, which in turn was a wholly-owned subsidiary of Lippo Capital Group Limited ("Lippo Capital Group"), an Associated Corporation. Dr Riady was the beneficial owner of one ordinary share in Lippo Capital Group, representing the entire issued share capital thereof.
- (ii) As at 30 June 2022, Lippo, through its wholly-owned subsidiaries, was indirectly interested in 1,477,715,492 ordinary shares in the Company, representing approximately 73.95% of the issued shares thereof.
- (iii) As at 30 June 2022, Lippo, through its wholly-owned subsidiaries, was indirectly interested in 6,890,184,389 ordinary shares in LCR, representing approximately 74.99% of the issued shares thereof.

Additional Information (Continued)

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)

Through Dr Riady's interest in Lippo Capital Group, he was also interested or taken to be interested (through controlled corporations) in the issued shares of the following Associated Corporations as at 30 June 2022:

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 Digital Retail Pte. Ltd. ("Auric Digital")	(b)	Ordinary shares	10	100
Auric Pacific Group Limited ("Auric")	(c)	Ordinary shares	80,618,551	65.48
Bentham Holdings Limited	(d)	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	(e)	Ordinary shares	1	100
Grand Peak Investment Limited	(a)	Ordinary shares	2	100
Greenorth Holdings Limited	(a)	Ordinary shares	1	100
Hennessy Holdings Limited ("Hennessy")	(e)	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 Holdings Company Limited	(f)	Ordinary shares	1	100
Lippo Capital Limited	(d)	Ordinary shares	423,414,001	60
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

Additional Information (Continued)

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)

Name of Associated Corporation	Note	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Multi-World Builders & Development Corporation	(a)	Ordinary shares	4,080	51
Prime Success Limited ("Prime Success")	(e)	Ordinary shares	1	100
PT Matahari Department Store Tbk.	(g)	Ordinary shares	1,350,768,696	51.44
Skyscraper Realty Limited	(e)	Ordinary shares	10	100
Superfood Retail Limited ("Superfood")	(h)	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

Notes:

- (a) Such share(s) was/were 100% held directly or indirectly by Lippo Capital.
- (b) 6 ordinary shares were held by Auric Bespoke I Pte. Ltd. ("Auric Bespoke") and 4 ordinary shares were held by OUE Retail Holdings Pte. Ltd. ("OUE Retail"). Auric Bespoke was a wholly-owned subsidiary of Auric Capital Holdings Limited which in turn was owned as to 50% by Edgemont Hill Holdings Limited ("Edgemont"). Edgemont was wholly owned by Dr Riady. OUE Retail was a wholly-owned subsidiary of OUE. OUE was indirectly owned as to approximately 71.29% by Fortune Crane Limited ("FCL"). The Company, through its 50% joint venture, LAAPL, held approximately 92.05% interest in FCL.
- (c) Of these shares, 4,999,283 ordinary shares were held by Jeremiah Holdings Limited ("Jeremiah"), an indirect 60% owned subsidiary of LCR; 20,004,000 ordinary shares were held by Nine Heritage Pte Ltd ("Nine Heritage"), a direct 80% owned subsidiary of Jeremiah; 36,165,052 ordinary shares were held by Pantogon Holdings Pte Ltd ("Pantogon"), an indirect wholly-owned subsidiary of LCR and 759,000 ordinary shares were held by Max Turbo Limited ("Max Turbo"), an indirect wholly-owned subsidiary of LCR. In addition, as at 30 June 2022, 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 all the issued shares in Silver Creek. Accordingly, Dr Riady was taken to be interested in an aggregate of 80,618,551 ordinary shares in Auric, representing approximately 65.48% of the issued shares thereof.

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)

Notes: (Continued)

- (d) Such share(s) was/were held directly by Lippo Capital Holdings.
- (e) Such share(s) was/were 100% held directly or indirectly by Lippo.
- (f) Such share was 100% held directly by Lippo Capital Group.
- (g) 509,992,000 ordinary shares were held by Multipolar and 840,776,696 ordinary shares were held by Auric Digital. Multipolar was owned as to 42.03% by PT Inti Anugerah Pratama which in turn was owned as to 40% by Fullerton Capital Limited ("Fullerton"). Dr Riady, through a company controlled by him, is the beneficial owner of all the issued shares in Fullerton.
- (h) 406, 1,625, 2,937, 62 and 4,970 ordinary shares were held by Jeremiah, Nine Heritage, Pantogon, Max Turbo and Oddish Ventures Pte. Ltd. ("Oddish") respectively. Oddish was an indirect wholly-owned subsidiary of OUE. Accordingly, Dr Riady was taken to be interested in an aggregate of 10,000 ordinary shares in Superfood, representing all the issued shares thereof.

As at 30 June 2022, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its Associated Corporations.

All the interests stated above represented long positions. Save as disclosed herein, as at 30 June 2022, 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 2022, 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.

Additional Information (Continued)

Interests and Short Positions of Shareholders Discloseable under the SFO

As at 30 June 2022, so far as is known to the Directors, 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 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
Hennessy Holdings Limited	1,477,715,492	73.95
Prime Success Limited	1,477,715,492	73.95
Lippo Limited	1,477,715,492	73.95
Lippo Capital Limited	1,477,715,492	73.95
Lippo Capital Holdings Company Limited	1,477,715,492	73.95
Lippo Capital Group Limited	1,477,715,492	73.95
Madam Shincee Leonardi (“Madam Leonardi”)	1,477,715,492	73.95
PT Trijaya Utama Mandiri (“PT TUM”)	1,477,715,492	73.95
Mr James Tjahaja Riady (“Mr James Riady”)	1,477,715,492	73.95
Madam Aileen Hambali (“Madam Hambali”)	1,477,715,492	73.95

Notes:

1. Hennessy, the immediate holding company of the Company, as beneficial owner, directly held 1,477,715,492 ordinary shares in the Company, representing approximately 73.95% of the issued shares thereof.
2. Hennessy is wholly owned by Prime Success which in turn is wholly owned by Lippo.
3. Lippo Capital, and through its wholly-owned subsidiary, J & S, was directly and indirectly interested in approximately 74.98% of the issued shares of Lippo.
4. Lippo Capital Holdings owned 60% of the issued shares in Lippo Capital. Lippo Capital Group owned the entire issued share capital of Lippo Capital Holdings. Dr Riady was the beneficial owner of the entire issued share capital of Lippo Capital Group. Madam Leonardi is the spouse of Dr Riady.
5. PT TUM owned the remaining 40% of the issued shares in Lippo Capital. PT TUM was wholly owned by Mr James Riady who is a brother of Dr Riady. Madam Hambali is the spouse of Mr James Riady.
6. Hennessy’s interests in the ordinary shares of the Company were recorded as the interests of Prime Success, Lippo, Lippo Capital, Lippo Capital Holdings, Lippo Capital Group, Madam Leonardi, PT TUM, Mr James Riady and Madam Hambali. The above 1,477,715,492 ordinary shares in the Company related to the same block of shares that Dr 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 SFO (Continued)

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

All the interests stated above represented long positions. Save as disclosed herein, as at 30 June 2022, 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.

Updated Director's Information

Mr John Luen Wai Lee stepped down as a member of the Public Service Commission on 1 May 2022.

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

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

Disclosure pursuant to Rule 13.20 of the Listing Rules

The Group has granted financial assistance to FCL, a subsidiary of LAAPL which in turn is a principal joint venture of the Group. The relevant advances outstanding as at 30 June 2022 were granted as follows:

- (i) a loan agreement dated 29 May 2015 between FCL and Pacific Landmark Holdings Limited ("PLH"), a then subsidiary of the Company, pursuant to which PLH agreed to advance a loan of S\$53,920,839.43 (the "Loan") to FCL;
- (ii) a loan agreement dated 28 August 2015 between FCL and PLH pursuant to which PLH agreed to make available a loan facility of S\$7,000,000 (the "Interim Loan") to FCL;
- (iii) a loan agreement dated 28 August 2015 between FCL and PLH pursuant to which PLH agreed to advance a further loan of S\$100,000,000 (the "Further Loan") to FCL;
- (iv) a loan agreement dated 12 October 2015 between FCL and PLH pursuant to which PLH agreed to make available a loan facility of S\$2,000,000 (the "Second Interim Loan") to FCL;
- (v) a loan agreement dated 30 November 2015 between FCL and PLH pursuant to which PLH agreed to make available a new loan facility of S\$38,000,000 (the "New Loan") to FCL;

Disclosure pursuant to Rule 13.20 of the Listing Rules (Continued)

- (vi) a loan agreement dated 19 July 2016 between FCL and PLH pursuant to which PLH agreed to make available a loan facility of approximately S\$14,959,000 (the “July 2016 Loan”) to FCL; and
- (vii) a loan agreement dated 20 October 2016 between FCL and Polar Step Limited (“PSL”), a subsidiary of the Company, pursuant to which PSL agreed to make available a loan facility in the maximum principal amount of S\$155,000,000 (the “October 2016 Facility”) to FCL. The October 2016 Facility was first drawn on 4 January 2017 (the “October 2016 Facility Drawdown Date”) and is unsecured, subject to an interest rate of 2.25% per annum and repayable on demand.

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

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

On 4 January 2017, PLH assigned all of its rights, interests, benefits and title in the Interim Loan, the Second Interim Loan and the New Loan to PSL. Pursuant to an amended and restated loan agreement dated 4 January 2017 between, inter alia, PSL and FCL (which was replaced by a second amended and restated loan agreement dated 4 January 2021), with effect from 4 January 2017, the interest rate of each of the Interim Loan, the Second Interim Loan and the New Loan was amended from 6.5% per annum to 2.25% per annum and such loans will be repayable on demand.

FCL prepaid PSL S\$6,423,108.11 (the “Prepaid Loan”) out of the Interim Loan in December 2020 and reborrowed the Prepaid Loan in January 2021 pursuant to a consent letter dated 20 December 2020 between, inter alia, PSL and FCL.

All the above advances to FCL are unsecured. As at 30 June 2022, the outstanding balance of the above advances amounted to approximately S\$380,420,000 (approximately HK\$2,146,634,000).

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 set out in Part 2 of Appendix 14 to the Listing Rules for the Period.

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 including the review of the unaudited consolidated interim financial statements of the Group for the Period.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as the code for securities transactions by the Directors. Having made specific enquiry of all the Directors, the Directors have complied with the required standard set out in the Model Code during the Period.

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

30 August 2022

Supplementary Financial Information

Disclosure pursuant to Rule 13.22 of the Listing Rules

Set out below is a pro forma combined statement of financial position of the Group's affiliates as at 30 June 2022 (being the latest practicable date for determining the relevant figures) required to be disclosed under the Listing Rules:

	HK\$'000
Pro forma combined statement of financial position	
Intangible assets	1,329,619
Fixed assets	4,096,275
Investment properties	30,911,631
Right-of-use assets	255,275
Interests in equity-accounted investees	8,612,040
Properties held for sale	407,883
Financial assets at fair value through other comprehensive income	1,043,241
Financial assets at fair value through profit or loss	639,741
Debtors, prepayments and other assets	1,327,319
Cash and cash equivalents	2,580,597
Other net assets	233,771
Bank and other borrowings	(18,467,576)
Lease liabilities	(217,885)
Creditors, accruals and other liabilities	(1,473,431)
Tax payable	(351,101)
Shareholders' advance	(3,147,743)
Deferred tax liabilities	(880,409)
Non-controlling interests	(18,061,798)
	8,837,449
Group's attributable interest (<i>Note</i>)	10,772,413

Note: The Group's attributable interest represents that portion attributable to the Group before non-controlling interests included therein.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Director

Mr Leon Nim Leung Chan

Independent non-executive Directors

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

COMMITTEES

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

SECRETARY

Mr Kelsch Woon Kun Wong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China CITIC Bank International Limited
The Bank of East Asia, Limited

SOLICITORS

Howse Williams

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

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

STOCK CODE

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WEBSITE

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