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## LIPPO LIMITED

力寶有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 226)

### FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Board of Directors of Lippo Limited (the “Company”) announces the consolidated final results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2023 together with the comparative figures for the corresponding period in 2022 as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Note	2023 HK\$'000	2022 HK\$'000
<b>Revenue</b>	4	<b>813,522</b>	677,773
Cost of sales		<b>(311,308)</b>	(292,680)
<b>Gross profit</b>		<b>502,214</b>	385,093
Other income	5	<b>1,695</b>	16,483
Administrative expenses		<b>(442,360)</b>	(420,678)
Other operating expenses	7	<b>(170,420)</b>	(159,270)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	7	<b>19,629</b>	(105,856)
Net fair value loss on investment properties		<b>(26,523)</b>	(24,311)
Other gains/(losses) — net	6	<b>(10,917)</b>	13,757
Finance costs		<b>(111,030)</b>	(71,263)
Share of results of associates		<b>960</b>	(39,694)
Share of results of joint ventures	8	<b>169,707</b>	549,936
<b>Profit/(Loss) before tax</b>	7	<b>(67,045)</b>	144,197
Income tax	9	<b>(1,637)</b>	(86)
<b>Profit/(Loss) for the year</b>		<b>(68,682)</b>	144,111
<b>Attributable to:</b>			
Equity holders of the Company		<b>(35,381)</b>	125,281
Non-controlling interests		<b>(33,301)</b>	18,830
		<b>(68,682)</b>	144,111
		<b>HK\$</b>	<b>HK\$</b>
<b>Earnings/(Loss) per share attributable to equity holders of the Company</b>	10		
Basic and diluted		<b>(0.07)</b>	0.25

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 HK\$'000	2022 HK\$'000
<b>Profit/(Loss) for the year</b>	<b>(68,682)</b>	144,111
<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	(11,297)	(58,607)
Exchange differences reclassified to profit or loss upon:		
Liquidation of foreign operations	-	(21,926)
Derecognition of a foreign associate	13	-
Deemed disposal of a foreign associate	-	(12)
Share of other comprehensive income of associates	12,096	6,357
Share of other comprehensive income/(loss) of joint ventures:		
Exchange differences on translation of foreign operations	(78,555)	(662,884)
Other reserve	(9,174)	22,287
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	<b>(86,917)</b>	(714,785)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity instruments at fair value through other comprehensive income	(40,897)	(25,911)
Share of changes in fair value of equity instruments at fair value through other comprehensive income of joint ventures	(96,716)	(421,980)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods, net of tax	<b>(137,613)</b>	(447,891)
Other comprehensive loss for the year, net of tax	<b>(224,530)</b>	(1,162,676)
<b>Total comprehensive loss for the year</b>	<b>(293,212)</b>	(1,018,565)
<b>Attributable to:</b>		
Equity holders of the Company	(193,879)	(727,189)
Non-controlling interests	(99,333)	(291,376)
	<b>(293,212)</b>	(1,018,565)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 HK\$'000	2022 HK\$'000
<b>Non-current assets</b>			
Intangible assets		21,034	21,034
Fixed assets		1,038,253	1,087,324
Investment properties		663,438	692,027
Right-of-use assets		161,372	156,370
Interests in associates		1,119,065	1,111,481
Interests in joint ventures	12	10,545,451	10,538,378
Financial assets at fair value through other comprehensive income		49,372	72,712
Financial assets at fair value through profit or loss		448,153	479,477
Debtors, prepayments and other assets	13	40,313	14,450
Deferred tax assets		5,233	6,937
		<u>14,091,684</u>	<u>14,180,190</u>
<b>Current assets</b>			
Properties held for sale		65,046	66,567
Properties under development		23,408	25,081
Inventories		23,962	25,196
Debtors, prepayments and other assets	13	165,987	116,121
Financial assets at fair value through profit or loss		304,193	308,509
Other financial assets		-	651
Tax recoverable		876	915
Cash and cash equivalents		454,717	868,547
		<u>1,038,189</u>	<u>1,411,587</u>
<b>Current liabilities</b>			
Bank and other borrowings		367,330	810,446
Lease liabilities		47,106	57,047
Creditors, accruals and other liabilities	14	224,256	220,950
Other financial liability		569	-
Tax payable		147,198	146,980
		<u>786,459</u>	<u>1,235,423</u>
<b>Net current assets</b>		<u>251,730</u>	<u>176,164</u>
<b>Total assets less current liabilities</b>		<u>14,343,414</u>	<u>14,356,354</u>

	Note	2023 HK\$'000	2022 HK\$'000
<b>Non-current liabilities</b>			
Bank and other borrowings		1,272,967	987,745
Lease liabilities		125,983	108,866
Creditors, accruals and other liabilities	14	8,542	9,150
Deferred tax liabilities		26,257	33,614
		<u>1,433,749</u>	<u>1,139,375</u>
<b>Net assets</b>		<b><u>12,909,665</u></b>	<b><u>13,216,979</u></b>
<b>Equity</b>			
Equity attributable to equity holders of the Company			
Share capital		986,598	986,598
Reserves		8,088,633	8,313,410
		<u>9,075,231</u>	<u>9,300,008</u>
Non-controlling interests		3,834,434	3,916,971
		<u>12,909,665</u>	<u>13,216,979</u>
<b>Total equity</b>		<b><u>12,909,665</u></b>	<b><u>13,216,979</u></b>

Note:

## 1. BASIS OF PREPARATION

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

The unaudited financial information relating to the year ended 31 December 2023 and the financial information relating to the year ended 31 December 2022 included in this preliminary announcement of final results for the year ended 31 December 2023 does not constitute the Company’s statutory annual consolidated financial statements for those years but, in respect of the year ended 31 December 2022, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The financial statements for the year ended 31 December 2023 have yet to be reported on by the Company’s auditor and will be delivered to the Registrar of Companies in due course.

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on the financial statements of the Group for the year ended 31 December 2022. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the final results are consistent with those used in the Group’s audited financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised HKFRSs for the first time for the current year’s final results:

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

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

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

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

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

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

### 3. SEGMENT INFORMATION

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

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

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

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

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

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

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

## Year ended 31 December 2023

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Food businesses HK\$'000	Healthcare services HK\$'000	Property management HK\$'000	Other HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
<b>Revenue</b>										
External	87,978	-	9,385	11,849	687,261	-	12,459	4,590	-	813,522
Inter-segment	4,041	-	-	-	-	-	563	834	(5,438)	-
<b>Total</b>	<b>92,019</b>	<b>-</b>	<b>9,385</b>	<b>11,849</b>	<b>687,261</b>	<b>-</b>	<b>13,022</b>	<b>5,424</b>	<b>(5,438)</b>	<b>813,522</b>
<b>Segment results</b>	<b>6,919</b>	<b>(7,875)</b>	<b>9,385</b>	<b>25,688</b>	<b>(55,206)</b>	<b>(2,708)</b>	<b>9,874</b>	<b>(5,880)</b>	<b>(243)</b>	<b>(20,046)</b>
Unallocated corporate expenses										(145,149)
Finance costs										(72,517)
Share of results of associates	-	5,412	-	-	-	7,710	-	(12,162)	-	960
Share of results of joint ventures	169,361	746	-	-	(400)	-	-	-	-	169,707
Loss before tax										(67,045)
<b>Segment assets</b>	<b>1,369,046</b>	<b>77,388</b>	<b>363,591</b>	<b>825,539</b>	<b>739,114</b>	<b>-</b>	<b>722</b>	<b>52,062</b>	<b>(11,706)</b>	<b>3,415,756</b>
Interests in associates	7,132	290,402	-	-	-	489,364	-	332,167	-	1,119,065
Interests in joint ventures	10,466,877	1,094	-	41,461	36,019	-	-	-	-	10,545,451
Unallocated assets										49,601
Total assets										15,129,873
<b>Segment liabilities</b>	<b>679,113</b>	<b>9,637</b>	<b>-</b>	<b>42,208</b>	<b>349,354</b>	<b>439,257</b>	<b>1,474</b>	<b>376,064</b>	<b>(1,067,435)</b>	<b>829,672</b>
Unallocated liabilities										1,390,536
Total liabilities										2,220,208
<b>Other segment information:</b>										
Capital expenditure ( <i>Note</i> )	130	520	-	-	46,066	-	4	416	-	47,136
Depreciation	(18,940)	(28)	-	-	(113,992)	-	(6)	(372)	3,494	(129,844)
Interest income	63,099	-	9,385	1,131	1,840	-	-	2,454	-	77,909
Finance costs	(26,481)	-	-	(33)	(12,288)	-	-	(15)	304	(38,513)
Loss on disposal of fixed assets	-	(9)	-	-	(3,002)	-	-	(93)	-	(3,104)
Loss on derecognition of an associate	-	-	-	-	-	-	-	(496)	-	(496)
Provisions for impairment losses on:										
A joint venture	-	-	-	-	-	-	-	(34)	-	(34)
Properties held for sale	(783)	-	-	-	-	-	-	-	-	(783)
Properties under development	-	(110)	-	-	-	-	-	-	-	(110)
Inventories	-	-	-	-	(1,539)	-	-	-	-	(1,539)
Loans and receivables	(300)	-	-	(237)	-	-	-	(1,562)	-	(2,099)
Net fair value gain on financial instruments at fair value through profit or loss	-	-	-	19,629	-	-	-	-	-	19,629
Net fair value loss on investment properties	(26,523)	-	-	-	-	-	-	-	-	(26,523)
Unallocated:										
Capital expenditure ( <i>Note</i> )										1,275
Depreciation										(11,909)
Finance costs										(72,517)
Loss on disposal of fixed assets										(4)

Year ended 31 December 2022

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Food businesses HK\$'000	Healthcare services HK\$'000	Property management HK\$'000	Other HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
<b>Revenue</b>										
External	84,338	-	4,250	12,095	560,256	-	12,857	3,977	-	677,773
Inter-segment	3,857	-	-	-	-	-	516	3,287	(7,660)	-
<b>Total</b>	<u>88,195</u>	<u>-</u>	<u>4,250</u>	<u>12,095</u>	<u>560,256</u>	<u>-</u>	<u>13,373</u>	<u>7,264</u>	<u>(7,660)</u>	<u>677,773</u>
<b>Segment results</b>	<u>23,121</u>	<u>12,633</u>	<u>4,250</u>	<u>(101,920)</u>	<u>(110,714)</u>	<u>(1,823)</u>	<u>9,092</u>	<u>(8,217)</u>	<u>(309)</u>	<u>(173,887)</u>
Unallocated corporate expenses										(144,045)
Finance costs										(48,113)
Share of results of associates	-	(79,650)	-	-	-	29,166	-	10,790	-	(39,694)
Share of results of joint ventures	550,340	(5)	-	-	(399)	-	-	-	-	549,936
Profit before tax										<u>144,197</u>
<b>Segment assets</b>	1,401,513	79,821	489,131	1,079,649	832,727	-	610	8,958	(4,567)	3,887,842
Interests in associates	7,180	280,469	-	-	-	473,843	-	349,989	-	1,111,481
Interests in joint ventures	10,461,478	332	-	41,773	34,795	-	-	-	-	10,538,378
Unallocated assets										54,076
Total assets										<u>15,591,777</u>
<b>Segment liabilities</b>	664,325	10,095	-	42,167	463,587	421,728	1,221	339,436	(1,003,780)	938,779
Unallocated liabilities										1,436,019
Total liabilities										<u>2,374,798</u>
<b>Other segment information:</b>										
Capital expenditure ( <i>Note</i> )	213	-	-	-	36,466	-	10	437	-	37,126
Depreciation	(19,024)	-	-	-	(102,154)	-	(12)	(380)	3,410	(118,160)
Interest income	60,834	-	4,250	1,255	1,691	-	-	192	-	68,222
Finance costs	(11,091)	-	-	(1,321)	(10,870)	-	-	(5)	137	(23,150)
Loss on disposal of fixed assets	-	-	-	-	(97)	-	-	-	-	(97)
Loss on deemed disposal of an associate	-	-	-	-	-	(45)	-	-	-	(45)
Write-back of provisions/(Provisions) for impairment losses on:										
A joint venture	-	-	-	-	-	-	-	(62)	-	(62)
Properties held for sale	1,018	-	-	-	-	-	-	-	-	1,018
Properties under development	-	(118)	-	-	-	-	-	-	-	(118)
Inventories	-	-	-	-	(1,868)	-	-	-	-	(1,868)
Loans and receivables	-	-	-	-	(153)	-	-	-	-	(153)
Fixed assets written off	-	-	-	-	(57)	-	-	-	-	(57)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	144	22,055	-	-	-	-	-	-	-	22,199
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	-	-	-	(106,111)	255	-	-	-	-	(105,856)
Net fair value loss on investment properties	(24,311)	-	-	-	-	-	-	-	-	(24,311)
Unallocated:										
Capital expenditure ( <i>Note</i> )										1,066
Depreciation										(14,095)
Finance costs										(48,113)
Loss on disposal of fixed assets										(3)
Realised translation losses reclassified to the statement of profit or loss relating to liquidation of foreign operations										(273)

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

## Geographical information

(a) Revenue from external customers

	2023 HK\$'000	2022 HK\$'000
Hong Kong	256,648	195,116
Mainland China	12,017	14,067
Republic of Singapore	507,975	445,655
Malaysia	10,522	2,527
Indonesia	13,784	11,088
Other	12,576	9,320
	<u>813,522</u>	<u>677,773</u>

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

(b) Non-current assets

	2023 HK\$'000	2022 HK\$'000
Hong Kong	1,105,598	1,101,740
Mainland China	208,942	237,847
Republic of Singapore	11,575,424	11,594,594
Malaysia	311,882	334,169
Indonesia	232,150	223,359
Other	117,904	117,811
	<u>13,551,900</u>	<u>13,609,520</u>

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

## Information about a major customer

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

#### 4. REVENUE

An analysis of revenue is as follows:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Revenue from contracts with customers:		
Revenue from food manufacturing operation	<b>324,523</b>	266,461
Revenue from restaurant operation	<b>359,901</b>	291,065
Provision of management services	<b>13,993</b>	15,808
	<hr/> <b>698,417</b> <hr/>	<hr/> 573,334 <hr/>
Revenue from other sources:		
Property rental income from operating leases:		
Variable lease payments that do not depend on an index or a rate	<b>587</b>	522
Other lease payments, including fixed payments	<b>24,292</b>	22,982
	<hr/> <b>24,879</b> <hr/>	<hr/> 23,504 <hr/>
Interest income	<b>77,909</b>	68,222
Dividend income	<b>10,718</b>	10,840
Other	<b>1,599</b>	1,873
	<hr/> <b>115,105</b> <hr/>	<hr/> 104,439 <hr/>
	<hr/> <b>813,522</b> <hr/> <hr/>	<hr/> 677,773 <hr/> <hr/>

**Revenue from contracts with customers**

Disaggregated revenue information

Segments	Food businesses HK\$'000	Property management HK\$'000	Other HK\$'000	Total HK\$'000
<b>Year ended 31 December 2023</b>				
Types of goods or services:				
Revenue from food manufacturing operation	324,523	-	-	324,523
Revenue from restaurant operation	359,901	-	-	359,901
Provision of management services	-	12,459	1,534	13,993
	<u>684,424</u>	<u>12,459</u>	<u>1,534</u>	<u>698,417</u>
Total revenue from contracts with customers	<b>684,424</b>	<b>12,459</b>	<b>1,534</b>	<b>698,417</b>
Geographical markets:				
Hong Kong	227,488	10,437	126	238,051
Mainland China	-	2,022	-	2,022
Republic of Singapore	447,288	-	1,408	448,696
Malaysia	9,648	-	-	9,648
	<u>684,424</u>	<u>12,459</u>	<u>1,534</u>	<u>698,417</u>
Total revenue from contracts with customers	<b>684,424</b>	<b>12,459</b>	<b>1,534</b>	<b>698,417</b>
Timing of revenue recognition:				
Goods transferred at a point in time	684,424	-	-	684,424
Services transferred over time	-	12,459	1,534	13,993
	<u>684,424</u>	<u>12,459</u>	<u>1,534</u>	<u>698,417</u>
Total revenue from contracts with customers	<b>684,424</b>	<b>12,459</b>	<b>1,534</b>	<b>698,417</b>
<b>Year ended 31 December 2022</b>				
Types of goods or services:				
Revenue from food manufacturing operation	266,461	-	-	266,461
Revenue from restaurant operation	291,065	-	-	291,065
Provision of management services	-	12,857	2,951	15,808
	<u>557,526</u>	<u>12,857</u>	<u>2,951</u>	<u>573,334</u>
Total revenue from contracts with customers	<b>557,526</b>	<b>12,857</b>	<b>2,951</b>	<b>573,334</b>
Geographical markets:				
Hong Kong	169,461	10,599	-	180,060
Mainland China	-	2,258	-	2,258
Republic of Singapore	386,168	-	2,951	389,119
Malaysia	1,897	-	-	1,897
	<u>557,526</u>	<u>12,857</u>	<u>2,951</u>	<u>573,334</u>
Total revenue from contracts with customers	<b>557,526</b>	<b>12,857</b>	<b>2,951</b>	<b>573,334</b>
Timing of revenue recognition:				
Goods transferred at a point in time	557,526	-	-	557,526
Services transferred over time	-	12,857	2,951	15,808
	<u>557,526</u>	<u>12,857</u>	<u>2,951</u>	<u>573,334</u>
Total revenue from contracts with customers	<b>557,526</b>	<b>12,857</b>	<b>2,951</b>	<b>573,334</b>

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

Segments	Food businesses HK\$'000	Property management HK\$'000	Other HK\$'000	Total HK\$'000
<b>Year ended 31 December 2023</b>				
Revenue from contracts with customers				
External customers	684,424	12,459	1,534	698,417
Inter-segment	-	563	834	1,397
	<u>684,424</u>	<u>13,022</u>	<u>2,368</u>	<u>699,814</u>
Total revenue from contracts with customers	684,424	13,022	2,368	699,814
Revenue from other sources — external	2,837	-	3,056	5,893
	<u>2,837</u>	<u>-</u>	<u>3,056</u>	<u>5,893</u>
Total segment revenue	<u>687,261</u>	<u>13,022</u>	<u>5,424</u>	<u>705,707</u>
<b>Year ended 31 December 2022</b>				
Revenue from contracts with customers				
External customers	557,526	12,857	2,951	573,334
Inter-segment	-	516	3,287	3,803
	<u>557,526</u>	<u>13,373</u>	<u>6,238</u>	<u>577,137</u>
Total revenue from contracts with customers	557,526	13,373	6,238	577,137
Revenue from other sources — external	2,730	-	1,026	3,756
	<u>2,730</u>	<u>-</u>	<u>1,026</u>	<u>3,756</u>
Total segment revenue	<u>560,256</u>	<u>13,373</u>	<u>7,264</u>	<u>580,893</u>

## 5. OTHER INCOME

	2023 HK\$'000	2022 HK\$'000
Government grants ( <i>Note</i> )	<u>1,695</u>	<u>16,483</u>

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

## 6. OTHER GAINS/(LOSSES) — NET

	2023 HK\$'000	2022 HK\$'000
Loss on disposal of fixed assets	(3,108)	(100)
Loss on deemed disposal of an associate	-	(45)
Loss on derecognition of an associate	(496)	-
Write-back of provisions/(Provisions) for impairment losses on:		
A joint venture	(34)	(62)
Properties held for sale	(783)	1,018
Properties under development	(110)	(118)
Inventories	(1,539)	(1,868)
Loans and receivables	(2,099)	(153)
Fixed assets written off	-	(57)
Foreign exchange losses — net	(2,748)	(6,784)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	-	21,926
	<u>(10,917)</u>	<u>13,757</u>

## 7. PROFIT/(LOSS) BEFORE TAX

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

	2023 HK\$'000	2022 HK\$'000
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Financial assets at fair value through profit or loss mandatorily classified as such, including those held for trading:		
Equity securities	30,908	(90,938)
Debt securities	(3,261)	(1,874)
Investment funds	(6,659)	(9,981)
Derivative financial instruments	(1,359)	(3,063)
	<u>19,629</u>	<u>(105,856)</u>
Interest income:		
Loans and advances	67,294	62,666
Financial assets at fair value through profit or loss	940	1,255
Other	9,675	4,301
Depreciation of fixed assets	(79,227)	(75,580)
Depreciation of right-of-use assets	(62,526)	(56,675)
Cost of inventories sold <sup>#</sup>	(307,572)	(288,821)
Selling and distribution expenses <sup>##</sup>	(45,241)	(41,800)
Legal and professional fees <sup>##</sup>	(20,071)	(21,796)
Consultancy and service fees <sup>##</sup>	(14,591)	(16,794)
Utilities charges <sup>##</sup>	(14,389)	(12,603)

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

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

## 8. SHARE OF RESULTS OF JOINT VENTURES

Share of results of joint ventures for the year ended 31 December 2023 mainly included share of profit of Lippo ASM Asia Property Limited (“LAAPL”, together with its subsidiaries, the “LAAPL Group”) of HK\$173,993,000 (2022 — HK\$554,277,000). The decrease was mainly attributable to lower profit contribution from its equity-accounted investees.

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 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. Certain bank facilities of the LAAPL Group were secured by certain listed shares held under it.

## 9. INCOME TAX

	2023 HK\$'000	2022 HK\$'000
Hong Kong:		
Charge for the year	4,439	4,811
Overprovision in prior years	(3)	(37)
Deferred	(976)	97
	<u>3,460</u>	<u>4,871</u>
Mainland China and overseas:		
Charge for the year	3,712	3,918
Overprovision in prior years	(1,312)	(1,749)
Deferred	(4,223)	(6,954)
	<u>(1,823)</u>	<u>(4,785)</u>
Total charge for the year	<u>1,637</u>	<u>86</u>

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (2022 — 8.25% or 16.5%), as appropriate. For the companies operating in mainland China and the Republic of Singapore, corporate taxes have been calculated on the estimated assessable profits for the year at the rates of 25% and 17% (2022 — 25% and 17%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

## 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 attributable to equity holders of the Company; and (ii) the weighted average number of approximately 493,154,000 ordinary shares (2022 — approximately 493,154,000 ordinary shares) in issue during the year.

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

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

## 11. DIVIDEND

	2023 HK\$'000	2022 HK\$'000
Final dividend, proposed — Nil (2022 — Nil)	<u>-</u>	<u>-</u>

## 12. INTERESTS IN JOINT VENTURES

Reference was made to the Group's minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset, prior to the events described below, was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that owned a number of copper ore deposits in the U.S.A. Subsequently, CS Mining sold its assets through a court-supervised sale process under its bankruptcy proceedings and a former joint venture of the Company participated and won the bid to acquire the assets in 2017. In 2018, a verified complaint (the "Complaint") was filed in a state court in the U.S.A. by the majority investors in Skye (the "Majority Investors") individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group (collectively, the "Parties"), alleging, among other things, that they suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Parties on CS Mining. The Parties filed a motion to dismiss the Complaint. As a result, the court issued a decision in 2020 to grant the motion in part and dismiss several causes of action. With respect to the remaining parts of the Complaint that were not dismissed, the court did not rule on the merits of those claims and the Parties filed their answer to the same. The Majority Investors will have to provide evidence to establish the claims that were not dismissed. The Group, individually and derivatively on behalf of Skye, also filed a counterclaim (the "Counterclaim") against the Majority Investors and their related persons (the "Counterparties"), in which the Group has claimed that the Counterparties, at all relevant times, controlled both Skye and CS Mining, preferred their own interests over those of Skye and its creditors and other owners and that this misconduct of the Counterparties caused the Group to suffer loss. The Counterparties filed a motion to dismiss the Counterclaim. In 2021, the court issued its decision to grant the motion in part, resulting in certain counts of the Counterclaim being dismissed. Importantly, with respect to the counts of the Counterclaim that were dismissed, the court specifically ruled that the Group may present evidence of the Counterparties' alleged misconduct to defend against or set off any potential damages that may arise from the claims asserted against the Group. The Counterparties filed their answer to the remaining counts of the Counterclaim. The litigation is still ongoing. The Group continues to believe the Complaint is wholly frivolous and without basis and will continue to defend the Complaint vigorously and also prosecute the Counterclaim against the Counterparties to recover for the harm that they caused both CS Mining and Skye.

## 13. 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>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Outstanding balances with ages:		
Within 30 days	<b>28,083</b>	28,210
Between 31 and 60 days	<b>21,258</b>	19,105
Between 61 and 90 days	<b>14,413</b>	12,155
Over 90 days	<b>396</b>	582
	<b>64,150</b>	60,052

## 14. CREDITORS, ACCRUALS AND OTHER LIABILITIES

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

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

## **BUSINESS REVIEW**

### **Overview**

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

### **Results for the Year**

Against this backdrop, the Group recorded a consolidated loss attributable to shareholders of HK\$35 million for the Year, as compared to a consolidated profit of HK\$125 million for the year ended 31 December 2022 (“2022”). The change was mainly attributable to the decrease in share of profit of the Group’s joint ventures for the Year, but offset by the net fair value gain on financial instruments at fair value through profit or loss of the Group and the improvement in the performance of the Group’s food businesses.

Revenue for the Year increased to HK\$814 million (2022 — HK\$678 million), of which 62% (2022 — 66%) and 32% (2022 — 29%) were generated from Singapore and Hong Kong, respectively. Food businesses remain the principal sources of revenue of the Group. Revenue in Hong Kong and Singapore continues to show improvement post-Pandemic and food businesses registered 23% increase in revenue, contributing to 84% (2022 — 83%) of total revenue for the Year.

The Group’s other operating expenses mainly included selling and distribution expenses and utilities charges for food businesses, legal and professional fees, and consultancy and service fees. Other operating expenses amounted to HK\$170 million for the Year (2022 — HK\$159 million). Finance costs increased to HK\$111 million (2022 — HK\$71 million), which was largely driven by higher interest rates during the Year.

### ***Property investment***

The total segment revenue from the property investment business for the Year amounted to HK\$92 million (2022 — HK\$88 million), which was mainly attributable to recurrent rental income from the Group’s investment properties and interest income from the loans to the Group’s joint ventures.

The Group’s property investment portfolio mainly comprises commercial properties in Hong Kong and mainland China. The property market sentiments in these regions continued to be sluggish. The Group recorded a net fair value loss on investment properties of HK\$27 million for the Year (2022 — HK\$24 million). Coupled with the impact of higher finance costs, segment profit before accounting for the share of results from the Group’s joint ventures decreased to HK\$7 million for the Year (2022 — HK\$23 million).

Lippo ASM Asia Property Limited (“LAAPL”, together with its subsidiaries, the “LAAPL Group”), a principal joint venture of the Group, is the vehicle holding a controlling stake in OUE Limited (“OUE”, together with its subsidiaries, the “OUE Group”), a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The OUE Group is a leading real

estate and healthcare group, growing strategically to capitalise on growth trends across Asia. OUE's real estate activities include the development, investment and management of real estate assets across the commercial, hospitality, retail and residential sectors. As at 31 December 2023, the LAAPL Group had an equity interest of approximately 73.36% in OUE.

To better reflect its current focus on growth opportunities in the hospitality, office and retail sectors, and its commitment to providing resilient and sustainable return through portfolio diversification, OUE Commercial Real Estate Investment Trust was rebranded to OUE Real Estate Investment Trust ("OUE REIT") in January 2024. OUE REIT, a subsidiary of OUE, is one of Singapore's largest diversified REITs listed on the SGX-ST. The property portfolio of OUE REIT includes OUE Bayfront, One Raffles Place, OUE Downtown Office, Hilton Singapore Orchard, the adjoining Mandarin Gallery and Crowne Plaza Changi Airport in Singapore as well as Lippo Plaza in Shanghai, the People's Republic of China (the "PRC"). The LAAPL Group had an aggregate of approximately 49.52% interest in OUE REIT as at 31 December 2023.

OUE REIT achieved a strong operational performance in its Singapore portfolio for the Year which was mainly driven by the full inventory of 1,080 rooms of Hilton Singapore Orchard from January 2023. In December 2023, OUE REIT completed the S\$22 million asset enhancement initiative for Crowne Plaza Changi Airport which now operates a full inventory of 575 rooms and is well-positioned to capture the increase in tourists and business travellers in 2024 and beyond. With effect from 9 February 2024, Chinese citizens are exempted from visa requirements to enter Singapore for stays of up to 30 days, further supporting higher tourist arrivals into Singapore. OUE REIT recorded stable occupancies and rental growth in its Singapore commercial properties. Committed occupancy in its Singapore office portfolio remained healthy at 95.2% as at 31 December 2023. Mandarin Gallery's committed occupancy (excluding short-term leases) remained high at 96.6%. Including short-term leases, the committed occupancy was 97.6% with a positive rental reversion of 29.8% in the fourth quarter of 2023, backed by positive retailer sentiment.

OUE Healthcare Limited ("OUEH", formerly known as OUE Lippo Healthcare Limited, together with its subsidiaries, the "OUEH Group"), a subsidiary of OUE listed on the sponsor-supervised listing platform (the "Catalist Board") of the SGX-ST, is a regional healthcare group that operates and owns high-quality healthcare assets in high-growth Asian markets. As at 31 December 2023, the OUE Group owned approximately 70.36% equity interest in OUEH.

In October 2023, a wholly-owned subsidiary of OUEH completed the exit offer for Healthway Medical Corporation Limited ("Healthway", together with its subsidiaries, the "Healthway Group", previously listed on the Catalist Board) and acquired 26.24% interest in Healthway. The addition of Healthway further strengthens the OUEH Group's regional network and Singapore's businesses, which also comprises O2 Healthcare Group, a team of trained lung specialists with expertise in cardiac surgery, thoracic surgery, pulmonary medicine and intensive care. O2 Healthcare Group currently consists of three respiratory and cardiothoracic specialist groups with 11 physicians and two cardiothoracic surgeons in Singapore. The enlarged OUEH Group, with the addition of the Healthway Group, will be well-positioned to provide a comprehensive spectrum of healthcare services to the region, anchored on Singapore's high standard of medical excellence. In mainland China, the Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital (the "Changshu Hospital"), with a total capacity of 100 beds, was officially commissioned in May 2023. The Changshu Hospital provides premium obstetrics, gynaecology, paediatric and other related medical services to patients in Changshu, Suzhou and the Yangtze River Delta region. The Shenzhen China Merchants-Lippo Prince Bay Hospital (the "Prince Bay Hospital") is on course to be commissioned in the second half of 2024. It is positioned as a premium general hospital providing services of international standards to meet the discerning demands of the affluent population in the Greater Bay Area. Both the Changshu Hospital and the Prince Bay Hospital are the OUEH Group's joint venture with the China Merchants Group.

As at 31 December 2023, the OUE Group (including that held through the OUEH Group) had an approximately 44.71% interest in First Real Estate Investment Trust (“First REIT”), which is listed on the Mainboard of the SGX-ST. First REIT is a healthcare real estate investment trust focused on investing in income-producing real estate projects which are primarily used for healthcare and/or healthcare-related purposes. As at 31 December 2023, First REIT has 32 properties comprising 14 nursing homes in Japan, 11 hospitals, two integrated hospitals and malls, an integrated hospital and hotel and a hotel and country club in Indonesia and three nursing homes in Singapore. The population in Japan and Singapore is aging rapidly. In Indonesia, a lack of access to healthcare has resulted in approximately two million Indonesians seeking healthcare services abroad every year. The Indonesian government has been pushing for health system reform to improve healthcare facilities and hospitality which may ramp up public-private partnership initiatives. Healthcare real estate continues to be a resilient asset class with robust demand fundamentals.

The Group recorded a share of profit of joint ventures of HK\$174 million from its investment in LAAPL for the Year (2022 — HK\$554 million). The decrease was mainly attributable to lower profit contribution from the joint venture’s equity-accounted investees. Coupled with share of foreign exchange translation losses of overseas operations of the LAAPL Group and share of fair value loss of its financial assets at fair value through other comprehensive income in reserves during the Year, the Group’s total interests in LAAPL as at 31 December 2023 amounted to HK\$10.3 billion (31 December 2022 — HK\$10.3 billion).

### ***Property development***

The sale of the remaining properties at Lippo Plaza in Beijing, the PRC remained stagnant during the Year due to the sustained downturn in the local property market. The segment recorded a loss of HK\$8 million for the Year (2022 — a profit of HK\$13 million, which included a HK\$22 million translation gain released from exchange equalisation reserve upon dissolution of a foreign operation) before accounting for the share of results from the Group’s associates and joint ventures.

### ***Food businesses***

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

### ***Treasury and securities investments***

The Group managed its investment portfolio in accordance with its investment committee’s terms of reference and looked for opportunities to enhance yields. The Group invested in a diversified portfolio mainly including listed and unlisted equity securities, debt securities and investment funds. Treasury and securities investments businesses recorded a total revenue of HK\$21 million during the Year (2022 — HK\$16 million). Driven by the good return from the overseas stock markets, the Group

recorded a net fair value gain of HK\$20 million in the statement of profit or loss from its securities investments for the Year as compared with a loss of HK\$106 million in 2022 under this segment. As a result, the treasury and securities investments businesses recorded a profit of HK\$35 million in the statement of profit or loss for the Year (2022 — loss of HK\$98 million).

The Group cautiously manages the mix of its investment portfolio. As at 31 December 2023, the treasury and securities investment portfolio of HK\$1,189 million (31 December 2022 — HK\$1,568 million) comprised mainly cash and bank balances of HK\$372 million (31 December 2022 — HK\$700 million), financial assets at fair value through profit or loss (“FVPL”) of HK\$752 million (31 December 2022 — HK\$788 million) and financial assets at fair value through other comprehensive income (“FVOCI”) of HK\$49 million (31 December 2022 — HK\$73 million). Further details of securities investments under different categories are as follows:

#### *Financial assets at fair value through profit or loss*

As of 31 December 2023, the Group’s financial assets at FVPL amounted to HK\$752 million (31 December 2022 — HK\$788 million), comprising equity securities of HK\$279 million (31 December 2022 — HK\$235 million), debt securities of HK\$41 million (31 December 2022 — HK\$44 million) and investment funds of HK\$432 million (31 December 2022 — HK\$509 million).

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

	As at 31 December 2023		As at 31 December 2022		Year ended 31 December 2023
	Fair value	Approximate percentage of financial assets at FVPL	Fair value	Approximate percentage to the total assets	Net fair value gain
	HK\$’000		HK\$’000		HK\$’000
GSH Corporation Limited (“GSH”)	77,753	10.3%	72,918	0.5%	4,835
Amasia CIV T, L.P. (“Amasia”)	56,150	7.5%	56,111	0.4%	39
Quantedge Global Fund (“Quantedge”)	42,086	5.6%	49,860	0.3%	10,742
Others ( <i>Note</i> )	576,357	76.6%	609,097	3.8%	5,372
<b>Total</b>	<b>752,346</b>	<b>100.0%</b>	<b>787,986</b>	<b>5.0%</b>	<b>20,988</b>

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

#### **GSH**

As at 31 December 2023, the fair value of the Group’s equity securities in GSH amounted to HK\$78 million, representing approximately 10.3% and 0.5% of the Group’s total financial assets at FVPL and total assets, respectively. An unrealised fair value gain of HK\$5 million was recognised by the Group for the Year. The Group also invested in the listed convertible bonds issued by GSH. As at 31 December 2023, the fair value of the Group’s debt securities in GSH amounted to HK\$19 million, representing approximately 2.5% and 0.1% of the Group’s total financial assets at FVPL and total assets, respectively.

GSH, having its shares listed on the Mainboard of the SGX-ST, is a property developer in Asia with properties under development in Malaysia and mainland China. The first phase of its residential project in mainland China has been completed and sold units were handed over to the buyers in 2023. It also owns and operates the Sutera Harbour Resort in Kota Kinabalu, comprising two five-star hotels, a 104-berth marina and a 27-hole championship golf course, and the idyllic Sutera@Mantanani Resort in Sabah. GSH’s hospitality business continues to show improvement due to the tourism recovery in Malaysia. Since the reopening of travel between Malaysia and mainland

China, there has been an increase in interest from buyers from mainland China for GSH's Malaysian properties. In addition, the easing of requirements for the Malaysia My Second Home programme is expected to provide further upside for the GSH's property business in Malaysia. However, the real estate market in mainland China remains challenging.

#### Amasia

Amasia is a single portfolio fund which invested in Dialpad, Inc. ("Dialpad"). Dialpad offers a suite of business communications software, including its namesake Dialpad product, a "PBX in the cloud", as well as Dialpad Meetings, a lightweight conference calling solution. Dialpad will adopt a focused sales strategy in 2024, centered around its Ai Contact Center and sales products. The Group invested US\$2 million into Amasia in 2015 for long-term capital gain. As at 31 December 2023, the fair value of the Group's investment in Amasia maintained at HK\$56 million, representing approximately 7.5% and 0.4% of the Group's total financial assets at FVPL and total assets, respectively.

#### Quantedge

Quantedge is an unlisted investment fund which aims to achieve absolute long-term capital growth by investing in multiple asset classes across the globe. The performance of Quantedge is satisfactory. Cumulated fair value gain has been recognised by the Group in prior years and fair value gain of HK\$11 million was recorded by the Group for the Year. In line with the objective of the Group to manage its investment portfolio by adopting a proactive but prudent approach, partial redemption of investment in Quantedge has been made since 2022 to realise the cumulated fair value gain and to re-allocate the proceeds for general working capital. During the Year, the Group partially redeemed HK\$19 million of the investment. As a result, the fair value of the Group's investment in Quantedge decreased to HK\$42 million as at 31 December 2023, representing approximately 5.6% and 0.3% of the Group's total financial assets at FVPL and total assets, respectively.

#### *Financial assets at fair value through other comprehensive income*

In addition to the above investments under financial assets at FVPL, the Group also invested in equity securities which are held for long-term strategic purposes and recorded them under financial assets at FVOCI. As at 31 December 2023, the fair value of such investments amounted to HK\$49 million (31 December 2022 — HK\$73 million). The decrease of financial assets at FVOCI during the Year was mainly due to the fair value loss recorded in other comprehensive income of HK\$41 million offset with acquisition of a listed equity investment of HK\$17 million during the Year.

GenieBiome Holdings Limited ("GB") is one of the major investments in this category. As at 31 December 2023, the fair value of the Group's investment in GB amounted to HK\$18 million, representing approximately 35.9% and 0.1% of the Group's total financial assets at FVOCI and total assets, respectively. In 2021, the Group made an investment in GB, a biotech company established by a team of internationally renowned university professors of medicine and clinician-scientists in Hong Kong. GB has pioneered the use of microbiome with evidence-based science to tackle a myriad of diseases, revolutionising the prevention, diagnosis and treatment of disease. Its portfolio includes diagnostic and risk prediction tests, next-generation microbiome precision formula, and precision medicine tailored for the Asian population. GB has a pipeline of new products to be launched in market as well as continuing its research and development on microbiome. The performance of GB is satisfactory and dividend income was received during the Year. The Group recorded an unrealised fair value loss of HK\$1 million through other comprehensive income for the Year.

## ***Healthcare services***

The Group's healthcare services business is mainly carried out through its investments in Healthway, a 40.8% owned associate of the Company. Healthway has a wide network of over 130 clinics and medical centres, mainly in Singapore, offering comprehensive services including general practitioner and family medicine clinics, health screening, adult specialists, baby and child specialists, dental services and allied healthcare services.

The Healthway Group posted stronger revenue for the Year. The revenue growth was contributed by an increase in revenue from the specialist healthcare segment, offset by the decrease in revenue from primary healthcare segment. As Singapore enters into an endemic COVID-19 new norm, revenue contribution from COVID-19 projects tapered off. However, such impact was mitigated by an increase in patient volume in the primary healthcare segment and the contribution from the acquisition of general practice clinics during the Year. As a result of higher operating costs following the change in revenue mix, the Group recognised a share of profit of HK\$8 million (2022 — HK\$29 million) from Healthway for the Year. As at 31 December 2023, the Group's interest in Healthway amounted to HK\$489 million (31 December 2022 — HK\$474 million).

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

Following the completion of the Exit Offer by the OUEH Group, Healthway was delisted from the Catalist Board of the SGX-ST with effect from 8 November 2023. The potential synergies between the Healthway Group and the OUEH Group will provide cost-saving opportunities through streamlining of operations and economies of scale.

## ***Other business***

The Group recorded a share of loss of HK\$10 million from its investment in TIH Limited ("TIH", together with its subsidiaries, the "TIH Group"), a 39.9% owned associate of the Company and listed on the Mainboard of the SGX-ST, for the Year (2022 — a profit of HK\$10 million). Such loss was mainly attributable to fair value loss on its investments at fair value through profit or loss and operating expenses. The Group's interests in TIH as at 31 December 2023 amounted to HK\$286 million (31 December 2022 — HK\$298 million).

The TIH Group currently has two business segments, that is, investment business and fund management. The TIH Group's income is mostly derived from the realisation and/or revaluation of its investments and fee income. Despite market volatility, the TIH Group continues to achieve consistent growth in its recurring income derived from its fund management business. Private equity deals in Southeast Asia have slowed significantly post-Pandemic due to a challenging business environment characterised by rising interest rates, persistent global inflationary pressures and ongoing geopolitical tensions. While deal values have not yet recovered from pre-Pandemic highs, they have picked up towards the end of 2023 and are expected to continue seeing a sustained increase.

Southeast Asia continues to remain an attractive investment destination for private equity firms, and sectors exposed to the rising middle class and global megatrends such as healthcare, clean energy, digital and physical infrastructure should continue to drive deal flow. In the face of prolonged higher interest rates impacting business sentiments, companies may shift focus towards operational efficiencies and divest non-core businesses, presenting opportunities. The TIH Group will stay vigilant, actively seeking opportunities in special situations, corporate deleveraging and non-core secondary assets at attractive valuations.

## **Financial Position**

The Group's financial position remained healthy. As at 31 December 2023, its total assets amounted to HK\$15.1 billion (31 December 2022 — HK\$15.6 billion). Property-related assets amounted to HK\$12.2 billion as at 31 December 2023 (31 December 2022 — HK\$12.2 billion), representing 81% (31 December 2022 — 78%) of the total assets. Total liabilities amounted to HK\$2.2 billion (31 December 2022 — HK\$2.4 billion). As at 31 December 2023, total cash and cash equivalents amounted to HK\$0.5 billion (31 December 2022 — HK\$0.9 billion). Current ratio as at 31 December 2023 was 1.3 (31 December 2022 — 1.1).

Total bank and other borrowings of the Group as at 31 December 2023 reduced to HK\$1,640 million (31 December 2022 — HK\$1,798 million). The borrowings were principally denominated in Hong Kong dollars and Malaysian ringgits (31 December 2022 — Hong Kong dollars, Singapore dollars and Malaysian ringgits).

As at 31 December 2023, bank loans amounted to HK\$1,390 million (31 December 2022 — HK\$1,717 million). Certain bank loans were secured by fixed and floating charges on certain properties and assets of certain subsidiaries and shares in certain subsidiaries of the Group. All the Group's bank loans carried interest at floating rates. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure.

As at 31 December 2023, the Group had unsecured other borrowings of HK\$250 million (31 December 2022 — HK\$70 million), which comprised a loan from a holding company of the Company of HK\$70 million (31 December 2022 — HK\$70 million) at fixed rate and loans from a joint venture of the Group of HK\$180 million (31 December 2022 — Nil) at floating rate. As at 31 December 2022, the balance also included a secured fixed rate loan from a third party of HK\$11 million. Such loan was fully repaid during the Year.

Following the successful refinancing of certain bank loans, only approximately 22% of the bank and other borrowings as at 31 December 2023 (31 December 2022 — 45%) were repayable within one year or on demand. As at 31 December 2023, the gearing ratio (measured as total borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) was 14.8% (31 December 2022 — 14.9%).

The net asset value attributable to equity holders of the Company decreased to HK\$9.1 billion as at 31 December 2023 (31 December 2022 — HK\$9.3 billion), which was mainly attributable to the share of reduction in reserves of the LAAPL Group for the Year. This was equivalent to HK\$18.4 per share as at 31 December 2023 (31 December 2022 — HK\$18.9 per share).

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

The Group had bankers' guarantees issued in lieu of rental and utility deposits for the premises used for operation of food businesses. As at 31 December 2023, the Group has secured bankers' guarantees

of HK\$1 million (31 December 2022 — HK\$1 million) and unsecured bankers' guarantees of HK\$4 million (31 December 2022 — HK\$3 million). The secured bankers' guarantees were secured by certain assets of the Group. Aside from the abovementioned, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Year (31 December 2022 — Nil).

Total capital commitment of the Group as at 31 December 2023 amounted to HK\$88 million (31 December 2022 — HK\$121 million), which are mainly related to the committed investments in certain unlisted investment funds for long-term strategic purpose. The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

### **Staff and Remuneration**

The Group had 839 full-time employees as at 31 December 2023 (31 December 2022 — 783 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Year amounted to HK\$319 million (2022 — HK\$311 million). The Group ensures that its employees are offered competitive remuneration packages. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

### **PROSPECTS**

The conflicts in Ukraine and the Middle East may continue to affect the global trade and investment. The Israel Hamas conflict has sharply heightened geopolitical risks. The disruption to key shipping routes caused by attacks on vessels in the Red Sea may affect the supply chains and increase production costs which in return, may increase the inflation pressures. The Ministry of Trade and Industry in Singapore has maintained the GDP growth forecast for Singapore for 2024 to 1.0% to 3.0%. Inbound tourism and private consumption are expected to underpin economic growth in Hong Kong. However, external environment remains unfavourable and economic uncertainties would continue to weigh on exports of goods and investment and consumption sentiment. Mainland China continues to be affected by sluggish domestic consumption and export growth as well as weak property market conditions. Escalating geopolitical fragmentation, tighter credit availability and weaker business investment may affect the economic growth in 2024. Amid the challenging operating environment, the Group and its associates and joint ventures will cautiously manage their businesses and monitor their assets and investment portfolios. They will also continue to exercise prudent capital management.

### **DIVIDENDS**

The Directors have resolved not to recommend payment of any final dividend for the year ended 31 December 2023 (2022 — Nil). No interim dividend was declared for the year ended 31 December 2023 (2022 — Nil).

### **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024 (both dates inclusive) during which period no transfer of share will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming Annual General Meeting to be held on Thursday, 6 June 2024 (the "2024 AGM"). In order to be entitled to attend and vote at the 2024 AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrar, Tricor Progressive Limited, 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 31 May 2024.

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

During the year ended 31 December 2023, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

## **CORPORATE GOVERNANCE**

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

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31 December 2023.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "Committee"). The existing members of the Committee comprise two independent non-executive Directors, namely Mr. Victor Ha Kuk Yung (Chairman) and Mr. King Fai Tsui and one non-executive Director, Mr. Leon Nim Leung Chan. The Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and financial reporting matters and has reviewed and agreed with the consolidated financial statements of the Group for the year ended 31 December 2023.

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

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 (the "Year") as set out in this preliminary announcement have been agreed by the Group's independent auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this preliminary announcement.

By Order of the Board  
**LIPPO LIMITED**  
**John Luen Wai Lee**  
*Managing Director and Chief Executive Officer*

Hong Kong, 27 March 2024

*As at the date of this announcement, the Board of Directors of the Company comprises eight directors, of which Dr. Stephen Riady (Chairman), Mr. John Luen Wai Lee (Managing Director and Chief Executive Officer) and Mr. Brian Riady as executive Directors, Mr. Jark Pui Lee and Mr. Leon Nim Leung Chan as non-executive Directors and Mr. King Fai Tsui, Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh as independent non-executive Directors.*