HONGKONG CHINESE LIMITED
香港華人有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

The Board of Directors (the "**Board**") of Hongkong Chinese Limited (the "**Company**") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 September 2020 (the "**Period**") together with the comparative figures for the corresponding period in 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 September 2020

		Unaudited	
		Six months ended 30 September	
		2020	2019
	Note	***HK$'000***	*HK$'000* (Restated)
Continuing operations			
Revenue	*4*	**63,167**	36,387
Cost of sales		**(16,453)**	(653)
Gross profit		**46,714**	35,734
Administrative expenses		**(15,723)**	(16,636)
Other operating expenses	*6*	**(11,183)**	(12,675)
Other gains — net	*5*	**2,747**	2
Finance costs		**(6,988)**	(9,589)
Share of results of associates		**6,266**	13,277
Share of results of joint ventures	*7*	**(733,589)**	262,801
Profit/(Loss) before tax from continuing operations	*6*	**(711,756)**	272,914
Income tax	*8*	**(7,827)**	(827)
Profit/(Loss) for the period from continuing operations		**(719,583)**	272,087
Discontinued operation			
Profit/(Loss) for the period from discontinued operation	*9*	**134,599**	(3,374)
Profit/(Loss) for the period		**(584,984)**	268,713
Attributable to:			
Equity holders of the Company		**(585,419)**	269,297
Non-controlling interests		**435**	(584)
		(584,984)	268,713
		HK cents	*HK cents* (Restated)
Earnings/(Loss) per share attributable to equity holders of the Company	*10*		
Basic and diluted			
— For profit/(loss) for the period		**(29.3)**	13.5
— For profit/(loss) from continuing operations		**(36.0)**	13.6

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2020

	Unaudited	
	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Profit/(Loss) for the period	**(584,984)**	268,713
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	**25,703**	(16,582)
Exchange differences reclassified to profit or loss upon liquidation of foreign operations	**(5,720)**	–
Share of other comprehensive income/(loss) of joint ventures:		
Exchange differences on translation of foreign operations	**325,953**	(181,920)
Other reserves	**(17,127)**	(14,639)
Adjustment for disposal of interests in a joint venture	**282**	–
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax	**329,091**	(213,141)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity instruments at fair value through other comprehensive income	**10**	1
Share of changes in fair value of equity instruments at fair value through other comprehensive income of joint ventures	**(7,525)**	88,080
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods, net of tax	**(7,515)**	88,081
Other comprehensive income/(loss) for the period, net of tax	**321,576**	(125,060)
Total comprehensive income/(loss) for the period	**(263,408)**	143,653
Attributable to:		
Equity holders of the Company	**(264,587)**	145,246
Non-controlling interests	**1,179**	(1,593)
	(263,408)	143,653
Total comprehensive income/(loss) for the period attributable to equity holders of the Company:		
— From continuing operations	**(399,987)**	148,416
— From discontinued operation	**135,400**	(3,170)
	(264,587)	145,246

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2020

	Note	**30 September 2020 *HK$'000* (Unaudited)**	31 March 2020 *HK$'000* (Audited)
Non-current assets			
Fixed assets		**25,019**	26,777
Investment properties		**139,022**	138,207
Interests in associates		**398,066**	375,999
Interests in joint ventures	*7*	**9,795,541**	10,319,111
Financial assets at fair value through other comprehensive income		**83**	69
Financial assets at fair value through profit or loss		**2,880**	2,900
Other financial asset	*9*	**–**	46,780
		10,360,611	10,909,843
Current assets			
Properties held for sale		**67,718**	80,732
Properties under development		**30,983**	30,179
Loans and advances		**8,215**	7,041
Debtors, prepayments and other assets	*12*	**2,875**	3,334
Financial assets at fair value through profit or loss		**10,695**	11,121
Tax recoverable		**173**	150
Cash and cash equivalents		**421,931**	135,169
		542,590	267,726
Current liabilities			
Bank and other borrowings		**24,854**	–
Other payables, accruals and other liabilities		**16,678**	33,356
Tax payable		**58,063**	48,775
		99,595	82,131
Net current assets		**442,995**	185,595
Total assets less current liabilities		**10,803,606**	11,095,438

	30 September 2020	31 March 2020
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Non-current liabilities		
Bank and other borrowings	**494,313**	491,667
Deferred tax liabilities	**15,751**	15,483
	510,064	507,150
Net assets	**10,293,542**	10,588,288
Equity		
Equity attributable to equity holders of the Company		
Share capital	**1,998,280**	1,998,280
Reserves	**8,275,692**	8,571,617
	10,273,972	10,569,897
Non-controlling interests	**19,570**	18,391
	10,293,542	10,588,288

Note:

1. BASIS OF PREPARATION

The interim results 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 "**Listing Rules**"). The interim results 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 as at 31 March 2020. The interim results have been reviewed by the audit committee of the Company.

The accounting policies and basis of preparation adopted in the preparation of the interim results are consistent with those used in the Group's audited financial statements for the year ended 31 March 2020, except for the adoption of the revised Hong Kong Financial Reporting Standards ("**HKFRSs**"), HKASs and Interpretations (hereinafter collectively referred to as the "**revised HKFRSs**") as disclosed in Note 2 to the interim results.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current period's interim results:

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

The application of the above revised standards has had no significant financial effect on the interim results.

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 held-for-trading and for long-term strategic purposes; and

(e) the "other" segment comprises principally money lending and the provision of project management services.

The banking business segment which engages in the provision of commercial and retail banking services was classified as discontinued operation during the current period (Note 9).

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

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

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

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

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

Six months ended 30 September 2020

	Continuing operations						Discontinued operation	
	Property investment *HK$'000*	Property development *HK$'000*	Treasury investment *HK$'000*	Securities investment *HK$'000*	Other *HK$'000*	Consolidated *HK$'000*	Banking business *HK$'000*	Consolidated *HK$'000*
Revenue — external	33,385	28,224	130	226	1,202	63,167	–	63,167
Segment results	17,961	15,380	130	(67)	1,440	34,844	134,883	169,727
Unallocated corporate expenses						(19,277)	–	(19,277)
Share of results of associates	–	6,266	–	–	–	6,266	–	6,266
Share of results of joint ventures	(733,576)	(13)	–	–	–	(733,589)	(284)	(733,873)
Profit/(Loss) before tax						(711,756)	134,599	(577,157)
Other segment information:								
Capital expenditure *(Note)*	5	–	–	–	–	5	–	5
Depreciation	(4)	–	–	–	–	(4)	–	(4)
Interest income	30,573	–	130	–	114	30,817	–	30,817
Finance costs	(6,988)	–	–	–	–	(6,988)	–	(6,988)
Gain on disposal of interests in a joint venture	–	–	–	–	–	–	181,663	181,663
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	–	5,714	–	–	6	5,720	–	5,720
Net fair value loss on financial instruments at fair value through profit or loss	–	–	–	(222)	–	(222)	(46,780)	(47,002)
Fair value loss on investment properties	(3,323)	–	–	–	–	(3,323)	–	(3,323)
Unallocated:								
Capital expenditure *(Note)*						285		285
Depreciation						(2,925)		(2,925)

Six months ended 30 September 2019 (restated)

	Continuing operations						Discontinued operation	
	Property investment	Property development	Treasury investment	Securities investment	Other	Consolidated	Banking business	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue — external	34,385	–	833	451	718	36,387	–	36,387
Segment results	22,156	(3,589)	833	996	(716)	19,680	(4,984)	14,696
Unallocated corporate expenses						(22,844)	–	(22,844)
Share of results of associates	–	13,287	–	–	(10)	13,277	–	13,277
Share of results of joint ventures	262,813	(12)	–	–	–	262,801	1,610	264,411
Profit/(Loss) before tax						272,914	(3,374)	269,540
Other segment information:								
Depreciation	(13)	(2)	–	–	–	(15)	–	(15)
Interest income	30,768	–	833	–	125	31,726	–	31,726
Finance costs	(9,589)	–	–	–	–	(9,589)	–	(9,589)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	–	–	–	608	–	608	(4,984)	(4,376)
Unallocated:								
Capital expenditure *(Note)*						2		2
Depreciation						(2,840)		(2,840)

Note: Capital expenditure includes additions to fixed assets.

	Continuing operations						Discontinued operation	
	Property investment	Property development	Treasury investment	Securities investment	Other	Consolidated	Banking business	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 30 September 2020 (unaudited)								
Segment assets	**160,732**	**88,321**	**414,636**	**13,658**	**8,245**	**685,592**	**–**	**685,592**
Interests in associates	**6,679**	**391,309**	**–**	**–**	**78**	**398,066**	**–**	**398,066**
Interests in joint ventures	**9,795,356**	**185**	**–**	**–**	**–**	**9,795,541**	**–**	**9,795,541**
Unallocated assets						**24,002**	**–**	**24,002**
Total assets						**10,903,201**	**–**	**10,903,201**
Segment liabilities	**521,837**	**9,455**	**–**	**–**	**713**	**532,005**	**–**	**532,005**
Unallocated liabilities						**77,654**	**–**	**77,654**
Total liabilities						**609,659**	**–**	**609,659**
At 31 March 2020 (audited)								
Segment assets	174,709	99,930	112,951	14,090	7,085	408,765	46,780	455,545
Interests in associates	6,290	369,646	–	–	63	375,999	–	375,999
Interests in joint ventures	10,189,628	190	–	–	–	10,189,818	129,293	10,319,111
Unallocated assets						26,914	–	26,914
Total assets						11,001,496	176,073	11,177,569
Segment liabilities	494,685	9,177	–	–	–	503,862	–	503,862
Unallocated liabilities						85,419	–	85,419
Total liabilities						589,281	–	589,281

4. REVENUE

An analysis of revenue from continuing operations is as follows:

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Revenue from contracts with customers:		
Sale of properties	**28,224**	–
Provision of project management services	**334**	515
Revenue from other sources:		
Property rental income from operating leases	**2,812**	3,617
Interest income	**30,817**	31,726
Dividend income	**226**	451
Other	**754**	78
	63,167	36,387

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 September			
	2020			2019
Segments	**Property development**	**Other**	**Total**	Other
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*
Types of goods or services:				
Sale of properties	**28,224**	**–**	**28,224**	–
Provision of project management services	**–**	**334**	**334**	515
Total revenue from contracts with customers	**28,224**	**334**	**28,558**	515
Geographical markets:				
Mainland China	**28,224**	**–**	**28,224**	–
Republic of Singapore	**–**	**334**	**334**	515
Total revenue from contracts with customers	**28,224**	**334**	**28,558**	515
Timing of revenue recognition:				
Goods transferred at a point in time	**28,224**	**–**	**28,224**	–
Services transferred over time	**–**	**334**	**334**	515
Total revenue from contracts with customers	**28,224**	**334**	**28,558**	515

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

	Six months ended 30 September			
	2020			2019
Segments	**Property development**	**Other**	**Total**	Other
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*
Revenue from contracts with external customers	**28,224**	**334**	**28,558**	515
Revenue from other sources — external	**–**	**868**	**868**	203
Total segment revenue	**28,224**	**1,202**	**29,426**	718

5. OTHER GAINS — NET

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Held for trading financial assets at fair value through profit or loss:		
Equity securities	**338**	644
Investment funds	**(540)**	(17)
Other financial assets mandatorily classified at fair value through profit or loss:		
Debt securities	**(20)**	(20)
Investment funds	**–**	1
	(222)	608
Fair value loss on investment properties	**(3,323)**	–
Foreign exchange gains/(losses) — net	**572**	(606)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	**5,720**	–
	2,747	2

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

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

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Interest income:		
Loans and advances	**30,687**	30,893
Other	**130**	833
Depreciation	**(2,929)**	(2,855)
Legal and professional fees#	**(2,992)**	(3,350)
Consultancy and service fees#	**(3,406)**	(4,462)
Cost of properties sold	**(15,344)**	–

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

Interests in joint ventures mainly included the Group's interests in Lippo ASM Asia Property Limited ("**LAAPL**"). LAAPL is a joint venture set up to hold the controlling stake in OUE Limited ("**OUE**"). OUE is listed on the Mainboard of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). OUE is principally engaged in developing and managing assets across commercial, hospitality, retail, residential and healthcare sectors. Certain bank facilities under LAAPL were secured by certain listed shares held under it.

For the six months ended 30 September 2020, the Group's share of loss of LAAPL amounted to HK$731,195,000 (2019 — share of profit of HK$265,571,000). Such loss was mainly resulted from the loss arising from the disposal of an investment property and partial offset by profit contribution from its equity-accounted investees during the period. As at 30 September 2020, the Group's interests in LAAPL was approximately HK$9,654,191,000 (31 March 2020 — HK$10,058,924,000). The decrease in interests in LAAPL for the six months ended 30 September 2020 was mainly due to the share of loss and offset by the increase in share of exchange reserve on translation of LAAPL's investment during the period.

8. INCOME TAX

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Hong Kong:		
Charge for the period	**1,333**	900
Deferred	**(26)**	–
	1,307	900
Mainland China and overseas:		
Charge for the period	**6,708**	92
Underprovision in prior periods	**–**	59
Deferred	**(188)**	(224)
	6,520	(73)
Total charge for the period from continuing operations	**7,827**	827

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (2019 — 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% (2019 — 25% and 17%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

9. DISCONTINUED OPERATION

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

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

		Six months ended 30 September	
		2020	2019
	Note	***HK$'000***	*HK$'000*
Fair value loss on financial instrument at fair value through profit or loss		**(46,780)**	(4,984)
Share of results of a joint venture		**(284)**	1,610
Loss before tax		**(47,064)**	(3,374)
Income tax		**–**	–
Loss after tax from discontinued operation		**(47,064)**	(3,374)
Gain on disposal of discontinued operation		**181,663**	–
Profit/(Loss) for the period from discontinued operation		**134,599**	(3,374)
Other comprehensive income			
Share of fair value reserve of financial assets at fair value through other comprehensive income of a joint venture		**519**	204
Release of cumulative fair value reserve of financial assets at fair value through other comprehensive income from discontinued operation upon disposal		**282**	–
Other comprehensive income from discontinued operation		**801**	204
Total comprehensive income/(loss) for the period from discontinued operation		**135,400**	(3,170)
		HK cents	*HK cents*
Earnings/(Loss) per share attributable to equity holders of the Company	*10*		
Basic and diluted			
— For profit/(loss) from discontinued operation		**6.7**	(0.1)

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 period attributable to equity holders of the Company; and (ii) the weighted average number of approximately 1,998,280,000 ordinary shares (2019 — approximately 1,998,280,000 ordinary shares) in issue during the period.

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Consolidated profit/(loss) attributable to equity holders of the Company:		
From continuing operations	**(720,018)**	272,671
From discontinued operation	**134,599**	(3,374)
	(585,419)	269,297

(b) Diluted earnings/(loss) per share

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 September 2020 and 2019.

11. INTERIM DIVIDEND

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Interim dividend, declared, of HK1 cent (2019 — HK1 cent) per ordinary share	**19,983**	19,983

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

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 September 2020	31 March 2020
	HK$'000	*HK$'000*
Outstanding balances with ages:		
Within 30 days	**64**	36
Between 31 and 60 days	**23**	–
	87	36

13. COMPARATIVE AMOUNTS

(a) The comparative statement of profit or loss has been re-presented as if the operation discontinued during the current period had been discontinued at the beginning of the comparative period (Note 9).

(b) Certain comparative amounts have been reclassified to conform with the current period's presentation and disclosures.

BUSINESS REVIEW

Overview

The Period saw the overwhelmingly damaging impacts of the COVID-19 coronavirus pandemic (the "**Pandemic**") on businesses worldwide. Yet, the Group and its joint ventures managed to complete disposal of certain assets during the Period resulting in the strengthening of their financial position in the midst of challenging times.

Results for the Period

The Group recorded a consolidated loss attributable to shareholders of approximately HK$585 million for the Period, as compared to a consolidated profit of approximately HK$269 million for the six months ended 30 September 2019 ("**2019**"). The loss was mainly due to share of loss of joint ventures (primarily resulting from the loss arising from the disposal of an investment property by a joint venture and partial offset by profit contribution from its equity-accounted investees) and partial offset by the profit arising from the disposal by the Group of a joint venture during the Period.

Property investment and development businesses contributed to 98% (2019 — 94%) of total revenue from continuing operations for the Period. Revenue from continuing operations for the Period increased to approximately HK$63 million (2019 — approximately HK$36 million), which was mainly attributable to the completion of sale of the Group's properties held for sale during the Period.

In September 2020, the Group disposed of its remaining 20% interest in MCB for an aggregate consideration of approximately MOP322 million (approximately HK$312 million). After the aforesaid disposal, the Group has ceased the banking business. Accordingly, the results of the banking business were classified as discontinued operation. The Group recognised a gain on disposal of joint venture of HK$182 million for the Period. After accounting for the fair value loss on derecognition of the Put Option of HK$47 million as the Put Option ceased to have effect upon completion of the disposal, profit arising from the disposal of the joint venture amounted to HK$135 million. Together with the share of loss of MCB of HK$0.3 million for the Period (2019 — share of profit of HK$2 million), the net profit of the banking business was approximately HK$135 million for the Period (2019 — loss of approximately HK$3 million).

The Group's other operating expenses mainly included legal and professional fees and consultancy and service fees. Other operating expenses from continuing operations amounted to approximately HK$11 million for the Period (2019 — approximately HK$13 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. The segment revenue for the Period amounted to approximately HK$33 million (2019 — approximately HK$34 million). Segment profit for the Period before accounting for the share of results from the Group's joint ventures amounted to approximately HK$18 million (2019 — approximately HK$22 million).

LAAPL (together with its subsidiaries, the "**LAAPL Group**"), a principal joint venture of the Company is the vehicle holding a controlling stake of approximately 68.7% equity interest in OUE (together with its subsidiaries, the "**OUE Group**") as at 30 September 2020. OUE is listed on the Mainboard of the SGX-ST. The OUE Group is principally engaged in developing and managing assets across the commercial, hospitality, retail, residential and healthcare sectors. It directly owns Downtown Gallery, a lifestyle retail mall in Singapore of approximately 14,000 sq.m.

In June 2020, the OUE Group completed the acquisition of plots of land with a total area of approximately 8,000 sq.m. in a prime location in the central business district in South Jakarta, Indonesia for a consideration of IDR1,316 billion (approximately HK$684 million). In September 2020, the OUE Group also completed the disposal of U.S. Bank Tower in Los Angeles, California, the United States of America for a consideration of US$430 million (approximately HK$3.3 billion).

The LAAPL Group had in aggregate an approximately 48.9% interest in OUE Commercial Real Estate Investment Trust ("**OUE C-REIT**", listed on the SGX-ST) (including the OUE Group's 47.9% interest therein) as at 30 September 2020. OUE C-REIT's portfolio of 7 high-quality prime properties includes OUE Bayfront, One Raffles Place, OUE Downtown Office, 1,077-room Mandarin Orchard Singapore, the adjoining Mandarin Gallery and the 563-room Crowne Plaza Changi Airport in Singapore as well as the properties at Lippo Plaza in Shanghai, the People's Republic of China (the "**PRC**") with more than 200,000 sq.m. of office and retail space and 1,640 upscale hotel rooms. It is one of the largest diversified REITs listed on the Mainboard of the SGX-ST and had total assets under management of approximately S$6.8 billion (approximately HK$38.6 billion) as at 30 September 2020. The OUE Group's operations were affected by the Pandemic during the Period. While its office segment remained resilient, leasing demand was dampened by weak economic outlook, business uncertainties and the containment measures imposed by the Singapore Government. The OUE Group provided rental and other relief to tenants across its portfolio in order to assist them in navigating challenges and to foster long-term relationships. The office segment committed occupancy and the retail segment committed occupancy of OUE C-REIT's portfolio were 92.3% and 93.9% respectively as at 30 September 2020. The room occupancy and food and beverage sales of the hospitality business declined significantly due to travel restrictions and containment measures as compared to 2019.

The OUE Group had, as at 30 September 2020, an approximately 64.4% equity interest in OUE Lippo Healthcare Limited ("**OUELH**", together with its subsidiaries, the "**OUELH Group**") in Singapore which is listed on the Catalist Board of the SGX-ST. The OUELH Group provides high-quality and sustainable healthcare solutions through the acquisition, development, management and operations of healthcare facilities across Asia. It owns 12 quality nursing homes in Japan which provided stable rental revenue. It has been focusing on improving and enhancing Wuxi Lippo Xi Nan Hospital's operations, services and marketing efforts as well as refurbishment. It also has an integrated hospital development project in Chengdu and land and building in Wuxi, the PRC as well as a strategically located site in Kuala Lumpur, Malaysia. It expects some delays in the development of the joint venture hospital with the China Merchants group in Prince Bay, Shenzhen, the PRC due to the Pandemic.

As at 30 September 2020, the OUE Group, through the OUELH Group and First REIT Management Limited (formerly Bowsprit Capital Corporation Limited, the manager of First Real Estate Investment Trust ("**First REIT**") which is listed on the Mainboard of the SGX-ST) had an approximately 19.5% interest in First REIT. First REIT is a healthcare real estate investment trust which invests in a diversified portfolio of income-producing real estate and/or real estate-related assets in Asia that are primarily used for healthcare and/or healthcare related purposes. As at 30 September 2020, First REIT had 20 properties comprising 16 in Indonesia, 3 in Singapore and 1 in South Korea. It provided rental and other relief to its tenants in light of the Pandemic during the Period.

The Group recorded a share of loss of joint ventures of HK$731 million from its investment in LAAPL for the Period (2019 — share of profit of HK$266 million). The loss was mainly resulted from the loss arising from the disposal of the U.S. Bank Tower by the OUE Group and partial offset by profit contribution from its equity-accounted investees during the Period. Due to the appreciation of the Singapore dollar during the Period, the Group shared an increase in exchange reserve on translation of LAAPL's investment of HK$318 million during the Period. As a result, the Group's total interests in LAAPL as at 30 September 2020 decreased to HK$9.7 billion (31 March 2020 — HK$10.1 billion).

Property Development

The Group managed to sell part of the remaining properties at Lippo Plaza in Beijing, the PRC during the Period. The segment revenue was HK$28 million (2019 — Nil). Before accounting for the share of results from the Group's associates and joint ventures, the segment recorded a profit of HK$15 million (2019 — loss of HK$4 million) for the Period.

Sale of some of the remaining units of the luxurious Marina Collection in Sentosa, Singapore (in which the Group has a 50% interest) was completed during the Period. A portion of the remaining units is leased out. The Group shared a profit of associate of HK$6 million (2019 — HK$13 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 HK$0.4 million (2019 — HK$1 million). The treasury and securities investments businesses recorded a net profit of HK$0.1 million for the Period (2019 — HK$2 million).

Financial Position

The Group's financial position remained healthy. As at 30 September 2020, its total assets amounted to HK$10.9 billion (31 March 2020 — HK$11.2 billion). Property-related assets amounted to HK$10.4 billion as at 30 September 2020 (31 March 2020 — HK$10.8 billion), representing 96% (31 March 2020 — 97%) of total assets. Total liabilities as at 30 September 2020 amounted to HK$610 million (31 March 2020 — HK$589 million). Total cash and cash equivalents as at 30 September 2020 increased to HK$422 million (31 March 2020 — HK$135 million), mainly due to consideration received from the disposal of MCB during the Period. Current ratio as at 30 September 2020 was 5.4 (31 March 2020 — 3.3).

As at 30 September 2020, the Group's bank and other borrowings increased to HK$519 million (31 March 2020 — HK$492 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 September 2020, approximately 5% (31 March 2020 — Nil) of the bank loans were repayable within one year. The gearing ratio (measured as total borrowings to equity attributable to equity holders of the Company) was 5.1% as at 30 September 2020 (31 March 2020 — 4.7%).

The net asset value attributable to equity holders of the Company remained satisfactory and amounted to HK$10.3 billion as at 30 September 2020 (31 March 2020 — HK$10.6 billion). This was equivalent to HK$5.1 per share (31 March 2020 — HK$5.3 per share).

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

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

The Group's commitments amounted to HK$1 million as at 30 September 2020 (31 March 2020 — HK$1 million). The investments or capital assets will be financed by the Group's internal resources and/or external bank financing, as appropriate.

Staff and Remuneration

The number of employees of the Group increased to 41 as at 30 September 2020 (30 September 2019 — 39 employees). Staff costs (including Directors' emoluments) charged to the statement of profit or loss during the Period amounted to HK$10 million (2019 — HK$11 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

While the prolonged Pandemic would continue to plague the global economy and businesses for some time amid ongoing economic and political uncertainties, it is currently under control or is easing out in at least some Asia-Pacific countries and regions such as mainland China, Hong Kong, Singapore and Australia which are gradually establishing travel bubbles and corridors. There are signs that such improvements would revitalize their economies and in turn the businesses of the Group and its joint ventures.

Meanwhile, the Group and its joint ventures will continue to take proactive measures to alleviate unprecedented adverse impacts on their businesses. They will also continue to prudently manage financial resources and expenditure and implement business strategies in order to facilitate the long-term sustainability of their businesses.

INTERIM DIVIDEND

The Directors have resolved to declare the payment of an interim dividend of HK1 cent (2019 — HK1 cent) per share amounting to approximately HK$20 million for the Period (2019 — approximately HK$20 million), which will be paid on Friday, 22 January 2021 to shareholders whose names appear on the Company's Register of Members on Friday, 8 January 2021.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 6 January 2021 to Friday, 8 January 2021 (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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 5 January 2021.

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.

CORPORATE GOVERNANCE

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

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the 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.

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

27 November 2020

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

* *For identification purpose only*