

# TARGET

## Intelligence Report

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### **LIPPO LTD: WHAT IN THE WORLD IS MANAGEMENT THINKING ?**

**With Billions Of Dollars In Its Hands ...  
And, Still, Management Can't Cut The Mustard !**

Lippo Ltd (力寶有限公司) (Code: 226, Main Board, The Stock Exchange of Hongkong Ltd) is a huge, corporate entity with Net Assets, standing at \$HK13,216,979,000.00, as at December 31, 2022.

However, even with this massive financial cache, the Company's Net Profits with regard to the 2022-Year, ended December 31, were deplorably meagre – at \$HK125.28 million!

The Company was incorporated in The Hongkong Special Administrative Region (HKSAR) of The People's Republic of China (PRC) on or about January 30, 1973, at the time that these 416 square miles was a British Colony.

The Company was founded by Dr Mochtar Riady (李文正).

On or about Friday, May 5, 2023, the 2022 Annual Report of the Company was published and disseminated in the HKSAR.

At Page 14 of the 2022 Annual Report, one was informed as to the principal activities of Lippo Ltd as follows:

*'The principal activity of the Company is investment holding. Its subsidiaries, associates, joint ventures and joint operation are principally engaged in investment holding, property investment, property development, food businesses, healthcare services, hotel operation, property management, project management, mineral exploration and extraction, fund management, investment management, securities investment and treasury investment.'*

At Page 90 of the 2022 Annual Report of the Company, embellishments were given as to other aspects, specifically, the corporate structure of Lippo Ltd, hereby produced verbatim:

*‘The immediate holding company of the Company is Lippo Capital Limited, a company incorporated in the Cayman Islands. In the opinion of the Directors, the ultimate holding company of the Company is Lippo Capital Group Limited, a company incorporated in Hong Kong.’*

The Chairman of Lippo Ltd, today, is Dr Stephen Riady (李棕), who, on or about Thursday, March 30, 2023, put pen to paper, so to speak, writing his Chairman’s Statement to Shareholders, the gist of which is as follows:

*‘2022 was a challenging year. It was turbulent for the global economy. Russia-Ukraine war, persistently high inflation, tightening monetary policies and supply-chain disruption have caused shock waves across the world. Notwithstanding the challenging landscape, the Group and its associates and joint ventures were able to navigate through the adversities of the past year to tap on strategic opportunities to sustain growth and achieve a positive return. The Group recorded a consolidated profit attributable to shareholders of approximately HK\$125 million for the Year, as compared to a consolidated profit of approximately HK\$500 million for the year ended 31 December 2021 (“2021”)...*

*‘After a major makeover and re-branding, Hilton Singapore Orchard has transformed from former Mandarin Orchard Singapore into Hilton brand’s flagship hotel in Singapore and the largest Hilton Hotel in Asia Pacific. The hotel refreshed and renewed its full inventory of 1,080 rooms and suites in operation, and is now well positioned to capture the increasing demand from international business and leisure travellers, as well as the resumption of meetings, incentives, conventions and exhibitions activities.*

*‘The OUE Group further strengthened its healthcare business. OUE (OUE Ltd), together with its healthcare subsidiary, OUE Lippo Healthcare Limited (“**OUELH**”), formed a medical partnership with three medical specialist groups in Singapore which included two leading respiratory specialist practices and an established cardiothoracic surgery practice. This marked a significant milestone in its pursuit of building a healthcare business ecosystem anchored on Singapore’s best medical practices to drive regional growth. Another subsidiary of the OUE Group, First Real Estate Investment Trust (“**First REIT**”), embarked on its next phase of growth to become Asia’s premier healthcare trust. First REIT took its first step to diversify into developed markets with the acquisition of 12 well-established nursing homes in Japan from OUELH in March 2022 and two additional nursing homes from third parties in September 2022. This brings First REIT’s portfolio in developed markets closing in on its goal to increase its portfolio size in developed markets to reduce its geographical concentration and enhance tenant diversification.*

*‘Healthway Medical Corporation Limited (together with its subsidiaries, the “**Healthway Group**”), an associate of the Company, further expanded its network in Singapore during the Year by opening new clinics, including new Nobel medical specialist clinics and a new health screening centre,*

*and acquiring new brands in specialty services. Subsequent to the end of the Year, the Healthway Group acquired three new clinics in Singapore. The Healthway Group currently owns, operates and manages more than 100 clinics and medical centres and is one of the largest outpatient clinic chains in Singapore. The Healthway Group stands committed to fortify its patient-centric healthcare system to cater to evolving healthcare demands...*

*‘Due to the extremely volatile global stock markets and bond markets, the Group recorded a net fair value loss of HK\$106 million from its securities investments for the Year, as compared with a gain of HK\$219 million in 2021. The Group would closely monitor its investment portfolio and the market situation...’.*

Dr Stephen Riady is the son of Dr Mochtar Riady, the Founder of Lippo Ltd.

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