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LIPPO LIMITED

力寶有限公司

*(Incorporated in Hong Kong
with limited liability)*

(Stock Code: 226)

HONGKONG CHINESE LIMITED

香港華人有限公司*

*(Incorporated in Bermuda
with limited liability)*

(Stock Code: 655)

DISCLOSEABLE TRANSACTION

FORMATION OF A JOINT VENTURE

FORMATION OF A JOINT VENTURE

On 15 March 2019 (after trading hours of the Stock Exchange), the Subsidiary (an indirect wholly-owned subsidiary of HKC, which in turn is an approximate 73.95% indirect subsidiary of Lippo), GBU, HGL and the JV Company entered into the Shareholders' Agreement relating to the formation of a joint venture. The JV Company will be engaged in investment, acquisition, development and/or ownership of land, property developments and/or properties in Asia and other related businesses. Upon Completion, the JV Company will be owned as to 50% by the Subsidiary, 49% by GBU and 1% by HGL.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios for the total capital commitment of the Subsidiary under the Shareholders' Agreement exceeds 5% but is less than 25%, the formation of a joint venture under the Shareholders' Agreement constitutes a discloseable transaction for each of Lippo and HKC and is subject to the announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 15 March 2019 (after trading hours of the Stock Exchange), the Subsidiary, GBU, HGL and the JV Company entered into the Shareholders' Agreement relating to the formation of a joint venture.

THE SHAREHOLDERS' AGREEMENT

Summarised below are the principal terms of the Shareholders' Agreement:

Date:

15 March 2019

Parties:

The JV Parties and the JV Company

Business of the JV Company:

The JV Company will be engaged in investment, acquisition, development and/or ownership of land, property developments and/or properties in Asia and other related businesses.

Subscription at Completion:

As at the date of the Shareholders' Agreement, one share of par value S\$1 of the JV Company has been issued and fully paid up by the Subsidiary at a subscription price of S\$20,000 (equivalent to approximately HK\$116,000). At Completion, the JV Company shall allot and issue 49 shares, 49 shares and 1 share to the Subsidiary, GBU and HGL respectively at a price of S\$20,000 (equivalent to approximately HK\$116,000) per share. Accordingly, upon Completion, the JV Company will be owned as to 50% by the Subsidiary, 49% by GBU and 1% by HGL.

If the Completion does not take place by 30 April 2019, the Shareholders' Agreement shall terminate and subject to the terms of the Shareholders' Agreement, all rights and obligations of the JV Parties shall cease to have effect immediately.

Capital Commitment:

Under the Shareholders' Agreement, the aggregate amount of funding (whether in equity or loan) required to be subscribed or advanced by each JV Party (when aggregated with all previous equity or loans provided by it, including the subscription price payable at Completion) to the JV Company on a pro-rata basis shall not exceed its capital commitment amount as set out below:

JV Parties	Capital Commitment	Percentage
The Subsidiary	S\$21,000,000 (equivalent to approximately HK\$121,800,000)	50%
GBU	S\$20,580,000 (equivalent to approximately HK\$119,364,000)	49%
HGL	S\$420,000 (equivalent to approximately HK\$2,436,000)	1%
Total	S\$42,000,000 (equivalent to approximately HK\$243,600,000)	100%

The total capital commitment amount of all the JV Parties was determined with reference to the expected initial working capital and funding requirements of the JV Company.

Apart from the aforementioned capital commitment, and unless otherwise unanimously approved by all the JV Shareholders in writing, none of the JV Shareholders shall have any further obligation to contribute to the capital of the JV Company or otherwise loan or provide any additional funds to the JV Company.

The HKC Group intends to finance the Subsidiary's pro-rata capital commitment by its internal resources.

JV Board composition:

The business of the JV Company shall be managed by the JV Board, who may exercise all the powers of the JV Company subject to the terms and provisions of the Shareholders' Agreement and applicable laws. Pursuant to the Shareholders' Agreement, the maximum number of JV Directors shall be four and the number of JV Directors shall be an even number at all times. One half of the JV Directors shall be nominees appointed by the Subsidiary and the other half of the JV Directors shall be nominees appointed by GBU.

Meeting quorum and Voting:

The quorum for the transaction of business at any meeting of the JV Board shall be one JV Director appointed by each of the Subsidiary and GBU. At each meeting of the JV Board, each JV Director shall have one vote. The unanimous vote of the JV Directors present at a duly convened meeting of the JV Board at which a quorum is present shall be the act of the JV Board.

Shareholders' Decision:

Any resolution of the JV Shareholders shall require the unanimous consent of all the JV Shareholders.

FINANCIAL INFORMATION OF THE JV COMPANY

As at the date of this announcement, the total assets of the JV Company is S\$20,000 and the JV Company has no liabilities. There is no profit or loss recorded in the unaudited management accounts of the JV Company for the period commencing on 5 March 2019 (being its date of incorporation) to the date of this announcement. As at the date of this announcement, the JV Company has not yet commenced any business.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHAREHOLDERS' AGREEMENT

One of the principal activities of the Lippo Group and the HKC Group is property investment and property development. In view of the extensive experience of the owner of GBU in property investment and development, the Lippo Directors and HKC Directors believe that the formation of a joint venture with the JV Parties will foster the principal activities of the Lippo Group and the HKC Group and will enable the pooling of expertise and resources of the JV Parties in property investment and property development, including in the identification of suitable opportunities for investment, acquisition, development and/or ownership of land, property developments and/or properties in Asia. It will enable the HKC Group to co-invest in properties, land or property developments and to share any risks with the other JV Parties. It will also strengthen its portfolio of property investments and property developments and provide the HKC Group with an additional channel of investment opportunities and revenue.

The respective Boards of Lippo and HKC (including their respective independent non-executive Directors) believe that the terms of the Shareholders' Agreement as a whole are fair and reasonable and in the interests of the shareholders of both Lippo and HKC respectively.

INFORMATION ON LIPPO, HKC AND THE SUBSIDIARY

The principal activity of Lippo 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, extraction and processing, fund management, securities investment, treasury investment, money lending, banking and other related financial services.

The principal activity of HKC is investment holding. Its subsidiaries, associates and joint ventures are principally engaged in investment holding, property investment, property development, hotel operation, healthcare services, project management, securities investment, treasury investment, money lending, banking and other related financial services.

The principal business of the Subsidiary is investment holding.

INFORMATION ON GBU AND HGL

The principal business activity of each of GBU and HGL is investment holding.

To the best of the knowledge, information and belief of the Lippo Directors and the HKC Directors, and having made all reasonable enquiries, each of GBU, HGL and their respective ultimate beneficial owners are third parties independent of Lippo and HKC and their respective connected persons.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios for the total capital commitment of the Subsidiary under the Shareholders' Agreement exceeds 5% but is less than 25%, the formation of a joint venture under the Shareholders' Agreement constitutes a discloseable transaction for each of Lippo and HKC and is subject to the announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Completion”	means completion of the Shareholders' Agreement pursuant to the terms thereof, which shall take place on such date as shall be agreed between the JV Parties;
“connected persons”	has the meaning ascribed to such term under the Listing Rules;
“GBU”	means P.T. Guna Bagus Utama, a company incorporated in the Republic of Indonesia;
“HGL”	means Highgarden Group Ltd., a company incorporated in the British Virgin Islands with limited liability;
“HKC”	means Hongkong Chinese Limited (香港華人有限公司*), a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange and an approximate 73.95% indirect subsidiary of Lippo;
“HKC Directors”	means the directors of HKC;
“HKC Group”	means HKC and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People's Republic of China;
“JV Board”	means the board of JV Directors;

“JV Company”	means Bell Eastern Limited, a company incorporated in the British Virgin Islands with limited liability and, prior to Completion, an indirect wholly-owned subsidiary of HKC. Upon Completion, the JV Company will be owned as to 50% by the Subsidiary, 49% by GBU and 1% by HGL;
“JV Director(s)”	means the director(s) of the JV Company;
“JV Parties”	means collectively the Subsidiary, GBU and HGL, and “JV Party” shall mean any of them;
“JV Shareholders”	means the shareholders of the JV Company from time to time;
“Lippo”	means Lippo Limited 力寶有限公司, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange;
“Lippo Directors”	means the directors of Lippo;
“Lippo Group”	means Lippo and its subsidiaries, which include the HKC Group;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Shareholders’ Agreement”	means the shareholders’ agreement dated 15 March 2019 entered into between the JV Parties and the JV Company;
“Subsidiary”	means Lippo Cybergroup Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of HKC;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“S\$”	means Singapore dollars, the lawful currency of Singapore; and
“%”	means per cent.

For the purpose of illustration only and unless otherwise stated, conversion of S\$ into HK\$ in this announcement is based on the exchange rate of S\$1.00 to HK\$5.80. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

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

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

Hong Kong, 15 March 2019

As at the date of this announcement, the board composition of each of Lippo and HKC is as follows:

Lippo

Executive Directors:

Dr. Stephen Riady (*Chairman*)
Mr. John Luen Wai Lee
(*Managing Director*
and Chief Executive Officer)

Non-executive Directors:

Mr. Jark Pui Lee
Mr. Leon Nim Leung Chan

Independent Non-executive Directors:

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

** For identification purpose only*

HKC

Executive Directors:

Dr. Stephen Riady (*Chairman*)
Mr. John Luen Wai Lee
(*Chief Executive Officer*)

Non-executive Director:

Mr. Leon Nim Leung Chan

Independent Non-executive Directors:

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