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HONGKONG CHINESE LIMITED

香港華人有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

MAJOR TRANSACTION

DISPOSAL OF 20% INTEREST IN THE MACAU CHINESE BANK LIMITED

A letter from the Board is set out on pages 5 to 9 of this circular.

* *For identification purpose only*

23 October 2020

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DEFINITIONS

In this circular, unless otherwise defined or the context otherwise requires, the following terms and expressions shall have the following meanings:

“AMCM”	Autoridade Monetaria de Macau (the Monetary Authority of Macao);
“Announcement”	the joint announcement of the Company and Lippo dated 30 September 2020 in relation to the Disposal;
“associated corporation(s)”	has the same meaning ascribed to such term under Part XV of the SFO;
“Board”	the Board of Directors;
“close associate(s)”	has the same meaning ascribed to such term under the Listing Rules;
“Company”	Hongkong Chinese Limited (香港華人有限公司*), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange and an approximate 73.95% indirect subsidiary of Lippo;
“Completion”	completion of the Disposal pursuant to the terms and conditions of the Contracts;
“connected person(s)”	has the same meaning ascribed to such term under the Listing Rules;
“Consideration”	the aggregate consideration of MOP322,222,222.20 (approximately HK\$312,555,000) payable by the Purchasers to the Vendor and/or the party designated by the Vendor for the Sale Shares pursuant to the Contracts;
“Contracts”	the Purchaser A Contract, the Purchaser B Contract and the Purchaser C Contract;
“controlling shareholder”	has the same meaning ascribed to such term under the Listing Rules;
“Director(s)”	Director(s) of the Company;
“Disposal”	the disposal of an aggregate of 780,000 MCB Shares (representing an aggregate of 20% of the issued shares in MCB) to the Purchasers for the Consideration pursuant to the Contracts;
“Group”	the Company and its subsidiaries;

* For identification purpose only

DEFINITIONS

“Hennessy”	Hennessy Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of Lippo and a controlling shareholder of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	19 October 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“LCR”	Lippo China Resources Limited 力寶華潤有限公司, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange, an approximate 74.99% indirect subsidiary of Lippo and a fellow subsidiary of the Company;
“Lippo”	Lippo Limited 力寶有限公司, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange and an intermediate holding company of the Company;
“Lippo Capital”	Lippo Capital Limited, a company incorporated in Cayman Islands with limited liability;
“Lippo Capital Group”	Lippo Capital Group Limited, a company incorporated in Hong Kong with limited liability;
“Lippo Capital Holdings”	Lippo Capital Holdings Company Limited, a company incorporated in the British Virgin Islands with limited liability;
“Lippo Group”	Lippo and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time;
“Macau”	the Macao Special Administrative Region of the PRC;
“MCB”	The Macau Chinese Bank Limited (澳門華人銀行股份有限公司), a company incorporated in Macau with limited liability;
“MCB Shares”	the issued shares in MCB;
“Model Code”	the Model Code for Securities Transactions by Directors of the Listed Issuers, as set out in Appendix 10 to the Listing Rules;

DEFINITIONS

“PRC”	the People’s Republic of China;
“Purchaser A”	Mr 黃嘉豪 (Wong, Garrick Jorge Kar Ho);
“Purchaser A Contract”	the shares transfer contract dated 30 September 2020 entered into between the Vendor and Purchaser A regarding the sale by the Vendor of 117,000 MCB Shares to Purchaser A;
“Purchaser B”	Mr 何漢剛 (Ho Hon Kong);
“Purchaser B Contract”	the shares transfer contract dated 30 September 2020 entered into between the Vendor and Purchaser B regarding the sale by the Vendor of 351,000 MCB Shares to Purchaser B;
“Purchaser C”	Mr 林家偉 (Lam Ka Vai Carlos);
“Purchaser C Contract”	the shares transfer contract dated 30 September 2020 entered into between the Vendor and Purchaser C regarding the sale by the Vendor of 312,000 MCB Shares to Purchaser C;
“Purchasers”	Purchaser A, Purchaser B and Purchaser C;
“Put Option”	<p>the put option granted under the Shareholders’ Agreement exercisable by the Vendor at any time during the period of 5 years from 3 November 2017 to require Shareholder A to purchase all the MCB Shares held by the Vendor pursuant to the terms of the Shareholders’ Agreement at the following exercise price:</p> <p>(a) at a price of MOP346.15 (approximately HK\$335.77) per MCB Share; or</p> <p>(b) at a price determined based on 2.53 times of the net asset value of the MCB Shares based on the last monthly management accounts of MCB immediately prior to the exercise of the Put Option,</p> <p>whichever is higher;</p>
“Sale Shares”	an aggregate of 780,000 MCB Shares;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	issued share(s) in the Company;

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“Shareholder(s)”	holder(s) of the Share(s);
“Shareholder A”	南粵(集團)有限公司 (Nam Yue (Group) Co. Ltd. or Agencia Comercial e Industrial Nam Yue, Limitada), a company incorporated in Macau;
“Shareholders’ Agreement”	the amended and restated shareholders’ agreement dated 6 June 2018 entered into between Shareholder A, the Vendor, Mr 楊俊 (Yang Jun), Purchaser A and MCB to, amongst other things, regulate the relationship amongst them, of which Shareholder A, Mr 楊俊 (Yang Jun) and Purchaser A are third parties independent of the Company and its connected persons;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Termination Deed”	a deed of termination dated 30 September 2020 entered into between the parties to the Shareholders’ Agreement to terminate the Shareholders’ Agreement;
“Vendor”	Winwise Holdings Limited (榮惠集團有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“MOP”	Macau Pataca, the lawful currency of Macau;
“S\$”	Singapore dollar, the lawful currency of the Republic of Singapore;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

Notes:

- (1) For the purpose of illustration only and unless otherwise stated, conversion of HK\$ into MOP in this circular is based on the approximate exchange rate of HK\$0.97 to MOP1. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this rate or any other rate.
- (2) Certain English translation of Chinese names used in this circular are included for information purpose only and should not be relied upon as the official translation of such Chinese names.



HONGKONG CHINESE LIMITED

香港華人有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

Executive Directors:

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

Non-executive Director:

Mr Leon Nim Leung Chan

Independent non-executive Directors:

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

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal Place of Business:

40th Floor
Tower Two
Lippo Centre
89 Queensway
Hong Kong

23 October 2020

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

DISPOSAL OF 20% INTEREST IN THE MACAU CHINESE BANK LIMITED

INTRODUCTION

Reference is made to the Announcement relating to the Disposal.

On 30 September 2020, the Vendor, being a wholly-owned subsidiary of the Company (which in turn is an approximate 73.95% subsidiary of Lippo), and the Purchasers entered into the Contracts pursuant to which the Vendor sold, and the Purchasers purchased, the Sale Shares (representing an aggregate of 20% of the issued shares in MCB and the Group's entire equity interest in MCB) for the Consideration of an aggregate amount of MOP322,222,222.20 (approximately HK\$312,555,000).

* For identification purpose only

LETTER FROM THE BOARD

As one or more of the applicable percentage ratios as calculated under rule 14.07 of the Listing Rules regarding the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company, and the Disposal is accordingly subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) details of the Disposal and (ii) other information required under the Listing Rules.

THE CONTRACTS

Summarised below are the principal terms of the Contracts:

	Purchaser A Contract	Purchaser B Contract	Purchaser C Contract
Date:	30 September 2020	30 September 2020	30 September 2020
Parties:	(1) The Vendor (2) Purchaser A	(1) The Vendor (2) Purchaser B	(1) The Vendor (2) Purchaser C
No. of Sale Shares:	117,000 MCB Shares (representing 3% of the issued shares in MCB)	351,000 MCB Shares (representing 9% of the issued shares in MCB)	312,000 MCB Shares (representing 8% of the issued shares in MCB)
Consideration:	MOP48,333,333.33 (approximately HK\$46,883,000)	MOP144,999,999.99 (approximately HK\$140,650,000)	MOP128,888,888.88 (approximately HK\$125,022,000)
Completion:	The Completion took place simultaneously upon the signing of the Contracts on 30 September 2020 and the Purchasers fully paid the Consideration by way of cashier orders.		

Upon the Completion, the Vendor entered into the Termination Deed.

ASSETS DISPOSED OF

The Sale Shares represented an aggregate of 20% of the issued shares in MCB and the Group's entire equity interest in MCB.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal, which has been approved by AMCM, is in line with the Group's strategy of rationalisation of non-core assets in the financial services sector (being those not relating to property investment and development, securities investment, treasury investment and money lending). Upon completion of the Disposal, the Group ceased to have any interests in licensed banking business and other related financial services. The Disposal provides a good opportunity for the Group to realise and unlock the value of its remaining minority interest in

LETTER FROM THE BOARD

MCB as well as to strengthen the Group's financial resources for working capital and pursuing other better investment opportunities. The Group has no other material non-core assets and is not in negotiation or has not entered into any memorandum of understandings or agreements in relation to the disposal of other non-core assets.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchasers by reference to (i) the net book value of MCB and the market conditions by comparing the price to book value multiple of a number of major banks in Hong Kong ranging from 0.35 times to 1.33 times to that of MCB of 2.21 times calculated based on its audited net asset value as at 31 December 2019; and (ii) the expected yields from the investment of approximately 232% as compared to the original cost of investment.

In view of the above, the Board believes that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

ESTIMATED GAIN FROM THE DISPOSAL

It is estimated that the Group would record a non-recurring gain arising from the Disposal of approximately HK\$135,682,000 (subject to audit and before expenses and taxes) for the nine months ending 31 December 2020, being a gain on disposal of a joint venture calculated by reference to the difference between the Consideration and the carrying value of MCB in the books of the Group as at 31 March 2020 of approximately HK\$129,293,000, after taking into account the release of share of the fair value reserve of financial assets at fair value through other comprehensive income of MCB, offset by a loss on derecognition of the Put Option. The Put Option ceased to have effect upon the Completion.

Shareholders should note that the exact amount of the gain arising from the Disposal to be recorded in the consolidated statement of profit or loss of the Group is subject to final audit, and will be calculated based on the net asset value of MCB as at the Completion and net of any incidental expenses and taxes, and therefore the audited gain figure may be different from the above estimated figure.

After the Completion, MCB ceased to be a joint venture of the Group and the Group will cease to share the results of MCB in its consolidated financial statements. In addition, the Disposal would have an effect of increasing the consolidated total assets of the Group by approximately HK\$135,682,000.

USE OF PROCEEDS

The net proceeds arising from the Disposal is estimated to be approximately HK\$311 million (after deducting legal fees and other transaction costs). As at the Latest Practicable Date, the Group had not identified any investment opportunities. Currently, it is intended that not less than 60% of the net proceeds from the Disposal will be used by the Group for working capital purposes including repayment of its indebtedness with the remaining balance for investment purposes.

LETTER FROM THE BOARD

INFORMATION ON MCB

MCB is a licensed credit institution in Macau whose principal business is the provision of banking, financial and other related services in Macau.

Set out below is the audited financial information of MCB for the financial years ended 31 December 2018 and 2019, prepared in accordance with generally accepted accounting principles in Macau:

	For the year ended 31 December 2019	For the year ended 31 December 2018
Net Profit before taxation	MOP60,502,000 (approximately HK\$58,687,000)	MOP70,182,000 (approximately HK\$68,077,000)
Net Profit after taxation	MOP65,603,000 (approximately HK\$63,635,000)	MOP62,403,000 (approximately HK\$60,530,000)

The audited net asset value of MCB as at 31 December 2019 amounted to approximately MOP728,159,000 (approximately HK\$706,314,000). The Consideration is approximately MOP176,590,000 (approximately HK\$171,292,000) in excess of the Group's share of the audited net asset value of MCB as at 31 December 2019.

INFORMATION ON THE PURCHASERS

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchasers are third parties independent of the Company and its connected persons. The Purchasers are businessmen in Macau and Purchaser A is an existing shareholder of MCB.

INFORMATION ON THE COMPANY AND THE VENDOR

The principal business activity of the Company is investment holding. The principal business activities of the subsidiaries, associates and joint ventures of the Company are investment holding, property investment, property development, hotel operation, healthcare services, project management, securities investment, treasury investment and money lending.

The principal business activity of the Vendor is investment holding.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios as calculated under rule 14.07 of the Listing Rules regarding the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company, and the Disposal is accordingly subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

Hennessy held 1,477,715,492 Shares, representing approximately 73.95% of the Shares as at the Latest Practicable Date, having the right to attend and vote at general meetings of the Company. Since none of the Shareholders are required to abstain from voting under the Listing Rules if the Company were to convene a general meeting to approve the Disposal and Hennessy has given a written approval of the Disposal in lieu of resolutions to be passed at a general meeting of the Company, no general meeting of the Company will therefore need to be convened to approve the Disposal, as permitted under rule 14.44 of the Listing Rules.

RECOMMENDATION

Although no general meeting will be convened for approving the Disposal, the Directors (including the independent non-executive Directors) consider that the terms of the Disposal are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, if a general meeting were convened for approving the Disposal, the Directors (including the independent non-executive Directors) would have recommended the Shareholders to vote in favour of the resolutions to approve the Disposal and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the three years ended 31 March 2018, 31 March 2019 and 31 March 2020 was disclosed in the following documents which were published on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hkchinese.com.hk) and can be accessed at the website addresses:

- (1) Annual report of the Company for the year ended 31 March 2018, (http://www.hkchinese.com.hk/file/financial_report/eng/E_AR_2017.pdf);
- (2) Annual report of the Company for the year ended 31 March 2019, (http://www.hkchinese.com.hk/file/financial_report/eng/E_00655_AR_2018.pdf); and
- (3) Annual report of the Company for the year ended 31 March 2020, (http://www.hkchinese.com.hk/file/financial_report/eng/E_00655_AR_2020.pdf).

2. INDEBTEDNESS STATEMENT

As at 31 August 2020, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding indebtedness of approximately HK\$500 million, being unsecured bank loan.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 31 August 2020, have any outstanding debt securities (whether issued and outstanding, authorised or otherwise created but unissued), term loans (whether guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) or unsecured), other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, mortgages, charges, guarantees or other material contingent liabilities.

The Directors confirm that, save as disclosed above, there have been no material changes in the indebtedness and contingent liabilities of the Group since 31 August 2020.

3. WORKING CAPITAL

The Directors are of the opinion that in the absence of unforeseen circumstances, after taking into account the financial resources available to the Group, including internally generated funds, available facilities from banks and the net proceeds from the Disposal, the Group has sufficient working capital for its requirements for at least 12 months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS

The COVID-19 coronavirus pandemic and its aftermath would continue to plague the global economy and businesses and are expected to last for some time against the backdrop of intensifying economic and political uncertainties.

The net proceeds from the Disposal strengthen the Group's working capital and provide resources to pursue better investment return opportunities.

The Group and its joint ventures will continue their efforts to mitigate the adverse operating environment and rationalise their asset portfolio while fostering financial resilience strategies for the long-term sustainable growth of their businesses.

5. NO MATERIAL ADVERSE CHANGE

Save as disclosed herein, the Directors confirm that there are no material adverse changes in the financial or trading position of the Group since 31 March 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Directors' and chief executive's interests and short positions in shares and underlying shares of the Company and associated corporations

Name of Director	Personal interests (held as beneficial owner)	Family interests (interest of spouse)	Corporate interests (interest of controlled corporations)	Total interests	Approximate percentage of total interests in the issued shares
Number of Shares					
Stephen Riady	—	—	1,477,715,492 <i>Notes (i) and (ii)</i>	1,477,715,492	73.95
John Luen Wai Lee	2,000,270	270	—	2,000,540	0.10
King Fai Tsui	600,000	75,000	—	675,000	0.03
Number of ordinary shares in Lippo					
Stephen Riady	—	—	369,800,219 <i>Note (i)</i>	369,800,219	74.98
John Luen Wai Lee	1,031,250	—	—	1,031,250	0.21
Number of ordinary shares in LCR					
Stephen Riady	—	—	6,890,184,389 <i>Notes (i) and (iii)</i>	6,890,184,389	74.99

Notes:

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

Through Dr Stephen Riady’s interest in Lippo Capital Group, he was also interested or taken to be interested (through controlled corporations) in the issued shares of the following associated corporations of the Company as at the Latest Practicable Date:

Name of associated corporation	Note	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Abital Trading Pte. Limited	(a)	Ordinary shares	2	100
Auric Pacific Group Limited (“Auric”)	(b)	Ordinary shares	80,618,551	65.48
Bentham Holdings Limited	(c)	Ordinary shares	1	100
Boudry Limited	(a)	Ordinary shares	10	100
	(a)	Non-voting deferred shares	1,000	100
Brimming Fortune Limited	(a)	Ordinary shares	1	100
Broadwell Overseas Holdings Limited	(a)	Ordinary shares	1	100
First Tower Corporation	(d)	Ordinary shares	1	100
Gainmate Hong Kong Limited	(e)	Ordinary shares	100	100
Grand Peak Investment Limited	(a)	Ordinary shares	2	100
Greenorth Holdings Limited	(a)	Ordinary shares	1	100
Hennessy Holdings Limited	(d)	Ordinary shares	1	100
HKCL Investments Limited	(a)	Ordinary shares	1	100
International Realty (Singapore) Pte. Limited	(a)	Ordinary shares	2	100
J & S Company Limited	(a)	Ordinary shares	1	100
Lippo Assets (International) Limited	(a)	Ordinary shares	1	100
	(a)	Non-voting deferred shares	15,999,999	100
Lippo Capital Holdings Company Limited	(f)	Ordinary shares	1	100
Lippo Capital Limited	(c)	Ordinary shares	423,414,001	60
Lippo Finance Limited	(a)	Ordinary shares	6,176,470	82.35
Lippo Investments Limited	(a)	Ordinary shares	2	100
Lippo Realty Limited	(a)	Ordinary shares	2	100
MG Superteam Pte. Ltd.	(a)	Ordinary shares	1	100
Multi-World Builders & Development Corporation	(a)	Ordinary shares	4,080	51

Name of associated corporation	Note	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Prime Success Limited (“Prime Success”)	(d)	Ordinary shares	1	100
Skyscraper Realty Limited	(d)	Ordinary shares	10	100
Superfood Retail Limited (“Superfood”)	(g)	Ordinary shares	10,000	100
The HCB General Investment (Singapore) Pte Ltd.	(a)	Ordinary shares	100,000	100
Valencia Development Limited	(a)	Ordinary shares	800,000	100
	(a)	Non-voting deferred shares	200,000	100
Winroot Holdings Limited	(a)	Ordinary shares	1	100

Notes:

- (a) Such share(s) was/were 100% held directly or indirectly by Lippo Capital, an indirect 60% owned subsidiary of Lippo Capital Group.
- (b) Of these shares, 4,999,283 ordinary shares were held by Jeremiah Holdings Limited (“Jeremiah”), an indirect 60% owned subsidiary of LCR; 20,004,000 ordinary shares were held by Nine Heritage Pte Ltd (“Nine Heritage”), a direct 80% owned subsidiary of Jeremiah; 36,165,052 ordinary shares were held by Pantogon Holdings Pte Ltd (“Pantogon”), an indirect wholly-owned subsidiary of LCR and 759,000 ordinary shares were held by Max Turbo Limited (“Max Turbo”), an indirect wholly-owned subsidiary of LCR. In addition, as at the Latest Practicable Date, 18,691,216 ordinary shares were held by Silver Creek Capital Pte. Ltd. (“Silver Creek”). Dr Stephen Riady, through companies controlled by him, is the beneficial owner of all the issued shares in Silver Creek. Accordingly, Dr Stephen Riady was taken to be interested in an aggregate of 80,618,551 ordinary shares in Auric, representing approximately 65.48% of the issued shares thereof.
- (c) Such share(s) was/were held directly by Lippo Capital Holdings which in turn was a direct wholly-owned subsidiary of Lippo Capital Group.
- (d) Such share(s) was/were 100% held directly or indirectly by Lippo.
- (e) 50 ordinary shares were held by Oddish Ventures Pte. Ltd. (“Oddish”), an indirect wholly-owned subsidiary of OUE Limited (“OUE”). OUE was indirectly owned as to approximately 68.80% by Fortune Crane Limited (“FCL”). The Company, through its 50% joint venture, Lippo ASM Asia Property Limited, held approximately 92.05% interest in FCL. 50 ordinary shares were held by Raising Fame Ventures Limited, an indirect wholly-owned subsidiary of LCR.
- (f) Such share was 100% held directly by Lippo Capital Group.
- (g) 406, 1,625, 2,937, 62 and 4,970 ordinary shares were held by Jeremiah, Nine Heritage, Pantogon, Max Turbo and Oddish respectively. Accordingly, Dr Stephen Riady was taken to be interested in an aggregate of 10,000 ordinary shares in Superfood, representing all the issued shares thereof.

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations.

All the interests stated above represent long positions. Save as disclosed herein, as at the Latest Practicable Date, to the knowledge of the Company:

- (1) none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and the chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (b) which were required to be entered in the register kept by the Company under Section 352 of the SFO; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code; and
- (2) none of the Directors and chief executive of the Company nor their spouses or minor children (natural or adopted) were granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations.

Dr Stephen Riady is also a director of each of Lippo Capital Group, Lippo Capital Holdings, Lippo Capital and Lippo. Mr John Luen Wai Lee is also a director of each of Lippo, Prime Success and Hennessy. Messrs Leon Nim Leung Chan, Victor Ha Kuk Yung, King Fai Tsui and Edwin Neo are also directors of Lippo. Save as disclosed herein, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

So far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, the persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or who were, directly or indirectly, interested in 10% or more of the issued voting shares of any other members of the Group were as follows:

(a) The Company

Name	Number of Shares	Approximate percentage
Hennessy Holdings Limited	1,477,715,492	73.95
Prime Success Limited	1,477,715,492	73.95
Lippo Limited	1,477,715,492	73.95
Lippo Capital Limited	1,477,715,492	73.95
Lippo Capital Holdings Company Limited	1,477,715,492	73.95
Lippo Capital Group Limited	1,477,715,492	73.95
Madam Shincee Leonardi	1,477,715,492	73.95

Name	Number of Shares	Approximate percentage
PT Trijaya Utama Mandiri (“PT TUM”)	1,477,715,492	73.95
Mr James Tjahaja Riady	1,477,715,492	73.95
Madam Aileen Hambali	1,477,715,492	73.95

Notes (a):

1. Hennessy, the immediate holding company of the Company, as beneficial owner, directly held 1,477,715,492 Shares, representing approximately 73.95% of the Shares.
2. Hennessy is wholly owned by Prime Success which in turn is wholly owned by Lippo.
3. Lippo Capital, and through its wholly-owned subsidiary, J & S, was directly and indirectly interested in approximately 74.98% of the issued shares of Lippo.
4. Lippo Capital Holdings owned 60% of the issued shares in Lippo Capital. Lippo Capital Group owned the entire issued share capital of Lippo Capital Holdings. Dr Stephen Riady was the beneficial owner of the entire issued share capital of Lippo Capital Group. Madam Shincee Leonardi is the spouse of Dr Stephen Riady.
5. PT TUM owned the remaining 40% of the issued shares in Lippo Capital. PT TUM was wholly owned by Mr James Tjahaja Riady who is a brother of Dr Stephen Riady. Madam Aileen Hambali is the spouse of Mr James Tjahaja Riady.
6. Hennessy’s interests in the Shares were recorded as the interests of Prime Success, Lippo, Lippo Capital, Lippo Capital Holdings, Lippo Capital Group, Madam Shincee Leonardi, PT TUM, Mr James Tjahaja Riady and Madam Aileen Hambali. The above 1,477,715,492 Shares related to the same block of shares that Dr Stephen Riady was interested, details of which are disclosed in the above paragraph headed “Disclosure of Interests — Directors’ and chief executive’s interests and short positions in shares and underlying shares of the Company and associated corporations”.

(b) 北京力寶世紀置業有限公司 (Beijing Lippo Century Realty Co., Ltd.)

Name	Amount of paid up registered capital	Percentage of profit sharing
Uchida Limited (“Uchida”)	US\$11,200,000	64
Wealtop Limited (“Wealtop”)	US\$2,800,000	16
北京亦莊投資控股有限公司 (Beijing Yizhuang Investment Holdings Limited)	N/A	20

Note (b): Uchida and Wealtop are both wholly-owned subsidiaries of the Company. See also (a) above in respect of the substantial shareholders of the Company.

All the interests stated above represent long positions. Save as disclosed herein, as at the Latest Practicable Date, none of the substantial shareholders (as defined under the Listing Rules) or other persons (other than the Directors or chief executive of the Company) had any interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, there was no person, other than a Director or chief executive of the Company, who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any members of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

The Lippo Group (a general reference to the companies in which Dr Stephen Riady and his family members have a direct or indirect interest) is not a legal entity and does not operate as one. Each of the companies in the Lippo Group operates within its own legal, corporate and financial framework. As at the Latest Practicable Date, the Lippo Group might have had or developed interests in business in Hong Kong and other parts in Asia similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

All the Directors are also directors of Lippo, an intermediate holding company of the Company, and LCR, a fellow subsidiary of the Company. Further details of the Directors' interests in Lippo and LCR are disclosed in the paragraph headed "Disclosure of Interests — Directors' and chief executive's interests and short positions in shares and underlying shares of the Company and associated corporations" in this appendix. Subsidiaries of Lippo and LCR are also engaged in property investment and property development.

The Directors are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and the Directors would comply with the relevant requirements of the Company's Bye-laws and the Listing Rules whenever a Director has any conflict of interest in the transaction(s) with the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates were considered to have interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

6. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP AND OTHER INTERESTS

None of the Directors was materially interested in any contract or arrangement which was entered into by any member of the Group and subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

As at the Latest Practicable Date, to the best of the knowledge of the Directors, none of the Directors had any direct or indirect interest in any asset which had been, since 31 March 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and which are, or may be, material to the Group:

- (a) a shareholders' agreement dated 15 March 2019 entered into between Lippo Cybergroup Limited ("Lippo Cybergroup"), an indirect wholly-owned subsidiary of the Company, P.T. Guna Bagus Utama, Highgarden Group Ltd. and Bell Eastern Limited ("Bell Eastern") in relation to the formation of a joint venture, namely Bell Eastern, which would be engaged in investment, acquisition, development and/or ownership of land, property developments and/or properties in Asia and other related businesses. Bell Eastern is owned as to 50% by Lippo Cybergroup and the aggregate amount of funding (whether in equity or loan) required to be subscribed or advanced by Lippo Cybergroup to Bell Eastern on a pro-rata basis shall not exceed its capital commitment amount of S\$21,000,000;
- (b) a loan agreement dated 29 May 2020 entered into between Polar Step Limited, an indirect wholly-owned subsidiary of the Company, as lender and Burney East Limited, a wholly-owned subsidiary of Lippo ASM Asia Property Limited which in turn is a principal joint venture of the Company, as borrower, for a loan of US\$35,000,000;
- (c) the Contracts; and
- (d) the Termination Deed.

8. LITIGATION

So far as the Directors are aware, the Group was not engaged in any material litigation or arbitration proceedings nor was any material litigation or claim pending or threatened against it as at the Latest Practicable Date.

9. MISCELLANEOUS

- (a) The Secretary of the Company is Mr Kelsch Woon Kun Wong, a fellow member of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.
- (b) The registered office of the Company is situated at Clarendon House, Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company is situated at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.

- (c) The principal transfer office of the Company is situated at the office of its principal share registrar, MUFG Fund Services (Bermuda) Limited, at 4th Floor North, Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda and the Hong Kong branch transfer office of the Company is situated at the office of its Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturday, Sunday and public holiday excluded) at the principal place of business of the Company at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong for a period of 14 days from the date of this circular:

- (a) the Memorandum of Association and Bye-laws of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 March 2018, 2019 and 2020;
- (c) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and
- (d) this circular.

11. LANGUAGE

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.