

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or professional adviser.

If you have sold or transferred all your shares in Lippo Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



LIPPO LIMITED

力寶有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 226)

MAJOR TRANSACTION

DISPOSAL OF 20% INTEREST IN THE MACAU CHINESE BANK LIMITED

A letter from the Board is set out on pages 6 to 11 of this circular.

23 October 2020

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Appendix I — Financial information of the Group	12
Appendix II — General information	14

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 HKC 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”	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;
“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;

DEFINITIONS

“Hennessy”	Hennessy Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
“HKC”	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 the Company;
“HKC Group”	HKC and its subsidiaries;
“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 and an approximate 74.99% indirect subsidiary of the Company;
“Lippo Capital”	Lippo Capital Limited, a company incorporated in Cayman Islands with limited liability and a controlling shareholder of the Company;
“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;
“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;

DEFINITIONS

“Model Code”	the Model Code for Securities Transactions by Directors of the Listed Issuers, as set out in Appendix 10 to the Listing Rules;
“PRC”	the People’s Republic of China;
“Purchaser A”	黃嘉豪先生 (Mr. 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”	何漢剛先生 (Mr. 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”	林家偉先生 (Mr. 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;

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	issued share(s) in the Company;
“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, 楊俊先生 (Mr. Yang Jun), Purchaser A and MCB to, amongst other things, regulate the relationship amongst them, of which Shareholder A, 楊俊先生 (Mr. 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;
“U.S.A.”	United States of America;
“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 HKC;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“MOP”	Macau Pataca(s), the lawful currency of Macau;
“S\$”	Singapore dollar(s), the lawful currency of the Republic of Singapore;
“THB”	Thai Baht(s), the lawful currency of Thailand;
“US\$”	United States dollar(s), the lawful currency of the U.S.A.; and
“%”	per cent.

* For identification purpose only

DEFINITIONS

Note:

- (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.



LIPPO LIMITED
力寶有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 226)

Executive Directors:

Dr. Stephen Riady (*Chairman*)

Mr. John Luen Wai Lee, BBS, JP

(Managing Director and Chief Executive Officer)

Non-executive Directors:

Mr. Jark Pui Lee

Mr. Leon Nim Leung Chan

Independent Non-executive Directors:

Mr. Victor Ha Kuk Yung

Mr. King Fai Tsui

Mr. Edwin Neo

Registered Office:

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 was made to the Announcement relating to the Disposal.

On 30 September 2020, the Vendor, being a wholly-owned subsidiary of HKC (which in turn is an approximate 73.95% subsidiary of the Company), 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 HKC Group's entire equity interest in MCB) for the Consideration of an aggregate amount of MOP322,222,222.20 (approximately HK\$312,555,000).

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, further details of the Disposal and 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
Number 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 HKC Group's entire equity interest in MCB.

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.

LETTER FROM THE BOARD

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 HKC 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, joint ventures and joint operation of the Company are investment holding, property investment, property development, food businesses, healthcare services, hotel operation, property management, project management, mineral exploration and extraction, fund management, securities investment, treasury investment, money lending and other financial services.

The principal business activity of the Vendor is investment holding.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal, which has been approved by AMCM, is in line with the HKC 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 HKC Group ceased to have any interests in licensed banking business and other related financial services. The Disposal provides a good opportunity for the HKC Group to realise and unlock the value of its remaining minority interest in MCB as well as to strengthen the HKC Group's financial resources for working capital and pursuing other better investment opportunities. The HKC 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 HKC 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 HKC 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.

It is estimated that the Group would record a non-recurring gain arising from the Disposal of approximately HK\$100,337,000 (subject to audit and before expenses and taxes), which is calculated based on 73.95% of the aforesaid HKC Group's gain.

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 figures may be different from the above estimated figures.

LETTER FROM THE BOARD

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 HKC 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 HKC Group for its working capital purposes including repayment of its indebtedness with the remaining balance for investment purposes.

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.

Lippo Capital (together with its wholly-owned subsidiary, J & S Company Limited) held 369,800,219 Shares, representing approximately 74.98% 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 Lippo Capital 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.

LETTER FROM THE BOARD

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
LIPPO LIMITED
John Luen Wai Lee
Managing Director and 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 have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lippold.com.hk) and can be accessed at the following website addresses:

- (a) Annual report of the Company for the year ended 31 March 2018 (www.lippold.com.hk/file/financial_report/eng/E_AR_2017.pdf);
- (b) Annual report of the Company for the year ended 31 March 2019 (www.lippold.com.hk/file/financial_report/eng/E_00226_AR_2018.pdf); and
- (c) Annual report of the Company for the year ended 31 March 2020 (www.lippold.com.hk/file/financial_report/eng/E_00226_AR_2019.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 the following outstanding indebtedness:

Borrowings

As at 31 August 2020, the Group had total bank and other borrowings of approximately HK\$2,214 million, comprising secured bank loans of approximately HK\$1,333 million, unsecured bank loans of approximately HK\$500 million, unsecured other loan of approximately HK\$100 million, unsecured notes of approximately HK\$281 million. The bank loans were secured by fixed and floating charges on certain properties and assets of certain subsidiaries and shares in certain subsidiaries of the Group.

Lease liabilities

As at 31 August 2020, the Group had lease liabilities of approximately HK\$137 million, which were unsecured and unguaranteed.

Contingent liabilities

As at 31 August 2020, the Group had secured bankers' guarantees of approximately HK\$2 million and unsecured bankers' guarantees of approximately HK\$2 million. The bankers' guarantees were secured by certain bank deposits of the Group and corporate guarantees from the shareholders of a subsidiary.

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 novel coronavirus (COVID-19) pandemic has a severe impact across the world. Various COVID-19 containment measures to slow down the spread of the virus such as travel restrictions, lockdowns, isolation and social distancing measures have been implemented in different parts of the world. Such measures have slowed down the global economy markedly. Looking ahead, the global economy may continue to experience sharp contraction in the near term as the major economies are still facing the serious threat of COVID-19. Economic recovery remains highly uncertain as most countries are vulnerable to the developments of COVID-19. It is anticipated that the impact of COVID-19 and the economic contraction will continue to affect the economic and social activities in the places at which the Group and its associates and joint ventures have operations. Apart from the outbreak of the COVID-19 pandemic, trade and political tensions between the U.S.A. and the PRC will continue to affect the volatility in the financial markets. The Group is seeking to streamline and strengthen its existing business to meet the challenges ahead. The Disposal is along the Group's strategy of rationalisation of non-core assets. It provides a good opportunity for the Group to unlock value and realise its remaining minority interest in MCB as well as to strengthen the HKC Group's working capital. The Group and its associates and 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	—	—	369,800,219 <i>Note (i)</i>	369,800,219	74.98
Jark Pui Lee	—	60	—	60	0.00
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 (ii)</i>	6,890,184,389	74.99
Number of ordinary shares of HK\$1.00 each in HKC					
Stephen Riady	—	—	1,477,715,492 <i>Notes (i) and (iii)</i>	1,477,715,492	73.95
Jark Pui Lee	469	469	—	938	0.00
John Luen Wai Lee	2,000,270	270	—	2,000,540	0.10
King Fai Tsui	600,000	75,000	—	675,000	0.03

Note:

- (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, was directly and indirectly interested in an aggregate of 369,800,219 ordinary Shares, representing approximately 74.98% of the issued shares of the Company. 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, representing 100% of the issued share capital of, Lippo Capital Group.
- (ii) As at the Latest Practicable Date, the Company, through its 100% owned subsidiaries, was indirectly interested in 6,890,184,389 ordinary shares in, representing approximately 74.99% of the issued shares of, LCR.
- (iii) As at the Latest Practicable Date, the Company, through its 100% owned subsidiaries, was indirectly interested in 1,477,715,492 ordinary shares of HK\$1.00 each in, representing approximately 73.95% of the issued shares of, HKC.

As mentioned in Note (i) above, Dr. Stephen Riady was the beneficial owner of one ordinary share in, representing 100% of the issued share capital of, Lippo Capital Group. Through his interest in Lippo Capital Group, Dr. Stephen Riady 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
Grand Peak Investment Limited	(a)	Ordinary shares	2	100
Greenorth Holdings Limited	(a)	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	(c)	Ordinary shares	423,414,001	60
Lippo Capital Holdings	(d)	Ordinary shares	1	100
Lippo Finance Limited	(a)	Ordinary shares	6,176,470	82.35

Name of associated corporation	Note	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
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
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

Note:

- (a) Such share(s) was/were 100% held directly or indirectly by Lippo Capital, a 60% owned indirect subsidiary of Lippo Capital Group.
- (b) Of these shares, 4,999,283 ordinary shares were held by Jeremiah Holdings Limited (“Jeremiah”), a 60% owned indirect subsidiary of LCR; 20,004,000 ordinary shares were held by Nine Heritage Pte Ltd, an 80% owned direct subsidiary of Jeremiah; 36,165,052 ordinary shares were held by Pantogon Holdings Pte Ltd, a 100% owned indirect subsidiary of LCR and 759,000 ordinary shares were held by Max Turbo Limited, a 100% owned indirect subsidiary of LCR. Details of Dr. Stephen Riady’s interest in LCR are disclosed in Notes (i) and (ii) above. 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 100% of 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, representing approximately 65.48% of the issued shares of, Auric.
- (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 was 100% held directly by Lippo Capital Group.

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 and Lippo Capital. 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
Lippo Capital	369,800,219	74.98
Lippo Capital Holdings	369,800,219	74.98
Lippo Capital Group	369,800,219	74.98
Madam Shincee Leonardi	369,800,219	74.98
PT Trijaya Utama Mandiri ("PT TUM")	369,800,219	74.98
Mr. James Tjahaja Riady	369,800,219	74.98
Madam Aileen Hambali	369,800,219	74.98

Note (a):

1. Lippo Capital, through its wholly-owned subsidiary, J & S Company Limited, was indirectly interested in 14,699,997 Shares. Together with 355,100,222 Shares owned by Lippo Capital directly as beneficial owner, Lippo Capital was interested in an aggregate of 369,800,219 Shares, representing approximately 74.98% of the issued Shares.
2. Lippo Capital Holdings owned 60% of the issued shares in Lippo Capital. Lippo Capital Group owned 100% of the issued share capital of Lippo Capital Holdings. Dr. Stephen Riady was the beneficial owner of 100% of the issued share capital of Lippo Capital Group. Madam Shincee Leonardi is the spouse of Dr. Stephen Riady.
3. 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.
4. Lippo Capital's interests in the Shares were recorded as the interests of Lippo Capital Holdings, Lippo Capital Group, Madam Shincee Leonardi, PT TUM, Mr. James Tjahaja Riady and Madam Aileen Hambali. The above 369,800,219 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) Chung Po Investment Holding Co., Ltd.

Name	Number of ordinary shares	Percentage
Lippo Realty (China) Limited ("LRCL")	1,200,000	60
China Travel Building Contractors Hong Kong Limited	800,000	40

Note (b): LRCL is a wholly-owned subsidiary of the Company. See also (a) above in respect of the substantial shareholders of the Company.

(c) LCR

Name	Number of ordinary shares	Approximate percentage
Skyscraper Realty Limited ("Skyscraper")	6,890,184,389	74.99

Note (c): Skyscraper is indirectly wholly owned by the Company through its wholly-owned subsidiary, First Tower Corporation. See also (a) above in respect of the substantial shareholders of the Company.

(d) Jeremiah Holdings Limited (“Jeremiah”)

Name	Number of ordinary shares of S\$1.00 each	Percentage
Dragon Board Holdings Limited (“Dragon Board”)	779,187	60
Mrs. Endang Utari Mokodompit	519,458	40

Note (d): Dragon Board is a wholly-owned subsidiary of LCR. See also (c) above in respect of the substantial shareholders of LCR.

(e) Nine Heritage Pte Ltd (“Nine Heritage”)

Name	Number of ordinary shares	Percentage
Jeremiah	800,000	80
SouthQuay Capital Asia Limited	200,000	20

Note (e): See also (d) above in respect of the substantial shareholders of Jeremiah.

(f) Lippo Select HK & Mainland Property ETF

Name	Number of units	Approximate percentage
World Grand Holding Limited (“World Grand”)	1,612,500	90.85

Note (f): World Grand is a wholly-owned subsidiary of LCR. See also (c) above in respect of the substantial shareholders of LCR.

(g) HKC

Name	Number of ordinary shares of HK\$1.00 each	Approximate percentage
Hennessy	1,477,715,492	73.95

Note (g): Hennessy is indirectly wholly owned by the Company through its wholly-owned subsidiary, Prime Success Limited. See also (a) above in respect of the substantial shareholders of the Company.

(h) 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 (h): Uchida and Wealtop are both wholly-owned subsidiaries of HKC. See also (g) above in respect of the substantial shareholders of HKC.

(i) Auric

Name	Number of ordinary shares	Approximate percentage
Jeremiah	4,999,283	4.06
Nine Heritage	20,004,000	16.25
Pantogon Holdings Pte Ltd (“Pantogon”)	36,165,052	29.37
Goldstream Capital Ltd.	42,498,332	34.52
Silver Creek Capital Pte. Ltd.	18,691,216	15.18

Note (i): Nine Heritage is a subsidiary of Jeremiah and Pantogon is a wholly-owned subsidiary of LCR. See also (d) above in respect of the substantial shareholders of Jeremiah and (c) above in respect of the substantial shareholders of LCR.

(j) Superfood Retail Limited (“Superfood”)

Name	Number of ordinary shares	Approximate percentage
Jeremiah	406	4.06
Nine Heritage	1,625	16.25
Pantogon	2,937	29.37
Oddish Ventures Pte. Ltd.	4,970	49.70

Note (j): Nine Heritage is a subsidiary of Jeremiah and Pantogon is a wholly-owned subsidiary of LCR. See also (d) above in respect of the substantial shareholders of Jeremiah and (c) above in respect of the substantial shareholders of LCR.

(k) LCR Catering Services Limited

Name	Number of ordinary shares	Percentage
All Around Limited (“All Around”)	8,100,000	90

Note (k): All Around is a wholly-owned subsidiary of Superfood. See also (j) above in respect of the substantial shareholders of Superfood.

(l) DLF (Thailand) Ltd

Name	Number of ordinary shares of THB100.00 each	Approximate percentage
K. Somchai Krunthong	25,500 preference shares	51
Food Retail Asia Ltd. (“FRA”)	24,495	48.9
Edmonton Investments Pte Ltd (“Edmonton”)	5	0.1

Note (l): FRA and Edmonton are wholly-owned subsidiaries of Auric. See also (i) above in respect of the substantial shareholders of Auric.

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.

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 articles of association 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 Company 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 two years immediately preceding the date of this circular and which are, or may be, material to the Group:

- (a) an agreement dated 21 December 2018 entered into between Auric Pacific Group Limited (“Auric”), an indirect non-wholly owned subsidiary of LCR, and DKSH Holding (S) Pte. Ltd. in relation to the disposal of the entire issued shares of each of Auric Pacific Marketing Pte. Ltd. and Centurion Marketing Pte. Ltd. for an aggregate initial consideration of approximately S\$60,726,000 (subject to adjustments);
- (b) an agreement dated 21 December 2018 entered into between Auric and DKSH Holdings (Malaysia) Berhad in relation to the disposal of the entire issued shares of Auric Pacific (M) Sdn. Bhd. for an initial consideration of approximately S\$157,674,000 (subject to adjustments);
- (c) a shareholders’ agreement dated 15 March 2019 entered into between Lippo Cybergroup Limited (“Lippo Cybergroup”), an indirect wholly-owned subsidiary of HKC, 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;
- (d) an agreement dated 30 August 2019 entered into between Auric, Food Junction Holdings Limited (now known as Auricfood Holdco Limited), an indirect non-wholly owned subsidiary of Auric, Topwin Investment Holding Pte Ltd and BreadTalk Group Limited in relation to the disposal of the entire issued shares of Food Junction Management Pte Ltd for an initial consideration of S\$80,000,000 (subject to adjustments);
- (e) a loan agreement dated 29 May 2020 entered into between Polar Step Limited, an indirect wholly-owned subsidiary of HKC, 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 HKC, as borrower, for a loan of US\$35,000,000;
- (f) the Contracts; and
- (g) the Termination Deed.

8. LITIGATION

Reference was made to the Group's interest in a minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that prior to its liquidation owned a number of copper ore deposits in the Milford Mineral Belt in Beaver County, State of Utah in the U.S.A. In January 2018, a verified complaint (the "Complaint") was filed in a United States state court in Delaware (the "Delaware State Court") by the majority investors in Skye (the "Majority Investors") individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group. The Complaint alleges, among other things, that the Majority Investors directly and derivatively through their ownership of Skye, suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Group on CS Mining. The Group filed a motion to dismiss the Complaint in 2019. Earlier this year, the Delaware State Court issued a decision on the motion to dismiss, partially granting the motion and dismissing several of the causes of action alleged by the Majority Investors. With respect to the remaining parts of the Complaint that were not dismissed, the Delaware State Court did not rule on the merits of those claims and therefore, the Group, together with the other persons in or related to the Group, recently filed its answer and the Majority Investors will now have to provide evidence to establish the claims that were not dismissed. The Group, individually and derivatively on behalf of Skye, also filed a counterclaim (the "Counterclaim") against the Majority Investors and their related persons (the "Counterparties"), in which the Group has claimed that the Counterparties, at all relevant times, controlled both Skye and CS Mining and continuously preferred their own interests over those of Skye and its creditors and other owners. As a result, the Counterclaim alleges that the conduct of the Counterparties caused the other parties to the Complaint, including, inter alia, the Group, to suffer loss, and accordingly seeks damages against the Counterparties for such losses. The Group continues to believe the Complaint is wholly frivolous and without basis and the Group will continue to vigorously defend the claims made against it as well as to pursue the Counterclaim.

Save as disclosed herein, 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. Davy Kwok Fai Lee, an associate member of the Chartered Institute of Bankers, and a fellow member of each of the Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute.
- (b) The registered office of the Company is situated at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.
- (c) The transfer office of the Company is situated at the office of its registrar, Tricor Progressive 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 registered office 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 articles of association 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.