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LIPPO LIMITED

力寶有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 226)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

DISPOSAL OF DIRECT INTEREST IN THE TARGET COMPANY IN RETURN FOR CONSIDERATION SHARES IN THE PURCHASER

The Board wishes to announce that on 28 November 2023 (after trading hours), the Vendor, a wholly-owned subsidiary of LCR, entered into the Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing approximately 5.70% of the total number of issued shares of the Target Company, at the consideration of S\$2,062,071 (equivalent to approximately HK\$12,016,000) which shall be satisfied by way of the allotment and issue of 126,507,423 Consideration Shares by the Purchaser to the Vendor (or HKCT as the Vendor may direct) at the issue price of S\$0.0163 (equivalent to approximately HK\$0.095) per Consideration Share, subject to the terms and conditions of the Agreement.

LISTING RULES IMPLICATION

The applicable percentage ratios (as defined under rule 14.07 of the Listing Rules) in respect of the transactions under the Disposal did not exceed 5%.

However, as one or more of the applicable percentage ratios (as defined under rule 14.07 of the Listing Rules) in respect of the transactions under the Disposal when aggregated with the Previous Subscription in accordance with the Listing Rules exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

As Completion is subject to the fulfilment of certain Conditions Precedent and may or may not proceed, shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

THE DISPOSAL

The Board wishes to announce that on 28 November 2023 (after trading hours), the Vendor, a wholly-owned subsidiary of LCR, entered into the Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing approximately 5.70% of the total number of issued shares of the Target Company, at the consideration of S\$2,062,071 (equivalent to approximately HK\$12,016,000) which shall be satisfied by way of the allotment and issue of 126,507,423 Consideration Shares by the Purchaser to the Vendor (or HKCT as the Vendor may direct) at the issue price of S\$0.0163 (equivalent to approximately HK\$0.095) per Consideration Share, subject to the terms and conditions of the Agreement.

Summarised below are the principal terms of the Agreement:

Date:

28 November 2023

Parties:

The Vendor: Direct Union Limited

The Purchaser: H2G Green Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are independent of and not connected with the Company and its respective connected persons.

Asset to be disposed of

Pursuant to the Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing approximately 5.70% of the total number of issued shares of the Target Company, on the terms and subject to the conditions of the Agreement, free from all claims and Encumbrances and with all rights, dividends, benefits and entitlements now or hereafter attaching to the Sale Shares with effect from (and including) the Completion Date.

Consideration

Pursuant to the Agreement, the consideration shall be S\$2,062,071 (equivalent to approximately HK\$12,016,000), which shall be satisfied by way of the allotment and issue of 126,507,423 Consideration Shares by the Purchaser to the Vendor (or HKCT as the Vendor may direct) at the issue price of S\$0.0163 (equivalent to approximately HK\$0.095) per Consideration Share.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the recent subscription price of the new shares issued by the Target Company to an independent third party.

Consideration Shares

An aggregate of 126,507,423 Consideration Shares shall be allotted and issued by the Purchaser to the Vendor (or HKCT as the Vendor may direct) at the issue price of S\$0.0163 (equivalent to approximately HK\$0.095) per Consideration Share, based on the 3-month VWAP, free from all claims and Encumbrances and with all rights, dividends, benefits and entitlements now or hereafter attaching to the said shares with effect from such date of issue.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Consideration Shares represent (i) approximately 9.82% of the existing issued share capital of the Purchaser as at the date of the Agreement; and (ii) approximately 8.94% of the issued share capital of the Purchaser as enlarged by the allotment and issue of the Consideration Shares.

The issue price of S\$0.0163 per Consideration Share represents:

- (a) a premium of approximately 36% to the closing price of S\$0.012 per H2G Share as quoted on the SGX-ST on the Last Trading Day;
- (b) a premium of approximately 27% to the average closing price of S\$0.0128 per H2G Share as quoted on the SGX-ST for the thirty (30) trading days up to and including the Last Trading Day; and
- (c) a discount of approximately 0.6% to the average closing price of S\$0.0164 per H2G Share as quoted on the SGX-ST for the ninety (90) trading days up to and including the Last Trading Day.

The issue price of approximately S\$0.0163 per Consideration Share was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to the 3-month VWAP.

The Consideration Shares shall be free from all claims and Encumbrances and with all rights, dividends, benefits and entitlements now or hereafter attaching to the said shares with effect from such date of issue.

Undertaking

The Vendor has agreed and undertaken with the Purchaser that it shall not, or shall procure that HKCT shall not (if the Vendor directs the allotment and issue of the Consideration Shares to HKCT) directly or indirectly sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose or sell or agree to sell more than 50% of the Consideration Shares issued to it under the Agreement for a period of six (6) months from the date of allotment and issue of the relevant Consideration Shares, unless agreed otherwise by the Purchaser in writing.

Conditions precedent

Completion of the Agreement is conditional upon satisfaction or waiver of certain conditions precedent including but not limited to:

- (i) all consents, approvals and authorisations of the bankers, financial institutions, landlords of leases, any other relevant third parties, government or regulatory authorities which are necessary in connection with the transfer of the Sale Shares from the Vendor to the Purchaser;
- (ii) the approval of the shareholders of the Purchaser in an extraordinary general meeting being obtained in connection with the transactions contemplated in the Agreement upon the terms and conditions set out in the Agreement, including, inter alia, the allotment and issue of the Consideration Shares by the Purchaser to the Vendor (or HKCT as the Vendor may direct), and the approval and such other compliance requirements of the relevant authorities in Singapore (including but not limited to the listing and quotation notice from the SGX-ST for the admission to and listing and quotation of the Consideration Shares on the Catalist);
- (iii) the approvals of the remaining shareholders of the Target Company in relation to the transfer of the Sale Shares from the Vendor to the Purchaser (and/or such subsidiary as the Purchaser may direct) contemplated under the Agreement and waivers of any transfer restrictions, procedural obligations or other obligations or preemptive right which may exist in the shareholders' agreement entered into amongst the Target Company and the existing shareholders of the Target Company, the constitution of the Target Company and/or any other documents in relation to the transfer of the Sale Shares from the Vendor to the Purchaser, where required;
- (iv) all representations, warranties and undertakings of the Vendor and the Purchaser under the Agreement being complied with, and being true, accurate and correct in all material respects as at the date of the Agreement, as if repeated at Completion and at all times between the date of the Agreement and the Completion Date; and
- (v) there being no material adverse change (as reasonably determined by the Vendor in its absolute discretion) in the corporate structure, management team, principal activities, prospects, operations, assets, business, profits, financial condition of the Purchaser occurring on or before the Completion Date.

Completion

Subject to the satisfaction or waiver (as the case may be) of the Conditions Precedent, completion shall take place within 14 days after the fulfilment (or waiver) of the Conditions Precedent.

Following the Completion, based on existing capital structure of the Target Company and the Purchaser, the LCR Group's interest in the Purchaser shall be increased from approximately 11.03% to 18.98%, the Purchaser's interest in the Target Company shall be increased from approximately 46.33% to 52.03% and the LCR Group's effective interest in the Target Company shall be changed from 13.89% to 12.98%.

THE PREVIOUS SUBSCRIPTION

On 14 December 2022, the Purchaser and HKCT, a wholly-owned subsidiary of LCR, entered into the Subscription Agreement pursuant to which HKCT had conditionally agreed to subscribe for 142,180,095 new ordinary shares in the Purchaser at a total consideration of S\$3,000,000 which subscription was duly completed on 14 March 2023. The Previous Shares were classified as financial assets at fair value through other comprehensive income in the consolidated financial statements of LCR and the Company. As at the date of this announcement, the Previous Shares represent approximately 11.03% of the existing issued share capital of the Purchaser.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Singapore. It is a subsidiary of the Purchaser which is specialising in distribution of liquefied natural gas via tanks and cylinders in Singapore as well as distributed power solutions such as CCHP (Combined Cooling Heating and Power) systems.

Set out below is a summary of certain financial information of the Target Company for the financial year ended 31 December 2021 and the fifteen months ended 31 March 2023 based on its relevant audited financial statements, prepared in accordance with Singapore Financial Reporting Standards:

	For the year ended 31 December 2021		For the fifteen months ended 31 March 2023	
	S\$'000	HK\$'000	S\$'000	HK\$'000
Net loss before taxation	2,086	12,156	3,856	22,470
Net loss after taxation	2,086	12,156	3,856	22,470

Based on the audited financial statements of the Target Company for the fifteen months ended 31 March 2023, the net asset value of the Target Company as at 31 March 2023 amounted to S\$5,343,000 (equivalent to approximately HK\$31,135,000).

INFORMATION ON THE PURCHASER

The Purchaser is a public company incorporated in Singapore which is listed on the Catalist. The Purchaser is a sustainability focused platform spearheading the energy transition and it also operates a lifestyle business that comprises the distribution and retail of a comprehensive collection of furniture, wardrobe and kitchen cabinet systems, lighting and accessories.

Set out below is a summary of certain financial information of the Purchaser for the two financial years ended 31 March 2022 and 2023 based on its relevant audited consolidated financial statements, prepared in accordance with the Singapore Financial Reporting Standards (International):

	For the year ended 31 March 2022		For the year ended 31 March 2023	
	S\$'000	HK\$'000	S\$'000	HK\$'000
Net loss before taxation	2,765	16,112	4,600	26,806
Net loss after taxation	2,765	16,112	4,600	26,806

Based on the published consolidated financial statements of the Purchaser for the six months ended 30 September 2023 prepared in accordance with Singapore Financial Reporting Standards (International), the consolidated net asset value attributable to the owners of the Purchaser as at 30 September 2023 amounted to S\$23,960,000 (equivalent to approximately HK\$139,622,000).

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, securities investment and treasury investment.

The principal business activity of the Vendor is investment.

REASON FOR AND BENEFIT OF THE DISPOSAL

The Board considers that the Disposal, if materialises at Completion, allows the Company to swap its investments to a related business which has listing status. The taking up of the Consideration Shares will increase the Company's shareholdings in the Purchaser, enhance liquidity and provide the Company with a good investment opportunity to expand and diversify its investment portfolio.

The Sale Shares were classified as financial assets at fair value through other comprehensive income in the consolidated financial statements of LCR and the Company. The carrying amount of the Sale Shares as at 31 December 2022 was approximately HK\$11,649,000. Upon Completion, such Consideration Shares will be classified as financial assets at fair value through other comprehensive income in the consolidated financial statements of LCR and the Company. The Board considers that the acquisition of the Consideration Shares from the Purchaser will not affect the cash position of the Company.

Based on information currently available, it is estimated that the LCR Group will record a fair value loss of approximately HK\$2.8 million through its reserve upon Completion which is calculated based on the difference between the fair value of the Consideration Shares by reference to the closing price of the H2G Share on the Last Trading Day and the carrying amount of the Sale Shares as at 31 December 2022. Such fair value loss attributable to the Group would amount to approximately HK\$2.1 million, calculated based on 74.99% of the LCR Group's expected fair value loss recorded through its reserve upon Completion. Accordingly, shareholders of the Company should note that the actual amount of gain or loss and the financial effect as a result of the transactions under the Disposal to be recorded shall be varied based on the fair value of the Consideration Shares on the Completion Date and the carrying amount of the Sale Shares as recorded in the latest audited consolidated financial statements of LCR and Lippo and will be subject to the review and final audit by the auditor of the Company.

Having considered the factors above, the Board considers that the Disposal was fair and reasonable and in the best interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

The applicable percentage ratios (as defined under rule 14.07 of the Listing Rules) in respect of the transactions under the Disposal did not exceed 5%.

However, as one or more of the applicable percentage ratios (as defined under rule 14.07 of the Listing Rules) in respect of the transactions under the Disposal when aggregated with the Previous Subscription in accordance with the Listing Rules exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Agreement”	the conditional sale and purchase agreement dated 28 November 2023 and entered into by the Vendor and the Purchaser in respect of the disposal of the Sale Shares in return for the Consideration Shares in the Purchaser;
“Board”	the board of Directors;
“Catalist”	the sponsor-supervised listing platform of the SGX-ST;
“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 and the allotment and issue of the Consideration Shares;
“Completion Date”	the actual day of Completion, which is to be scheduled by the Vendor and the Purchaser within 14 days after the fulfilment (or waiver) of the Conditions Precedent;
“Conditions Precedent”	the conditions precedent to which the Completion is subject under the Agreement, details of which are set out in the paragraph headed “Conditions precedent” of this announcement, and “Condition” shall be construed accordingly;
“Consideration”	the purchase price for the Sale Shares, being the aggregate sum of S\$2,062,071 payable by the Purchaser to the Vendor;
“Consideration Shares”	such number of new H2G Shares (as defined below) to be allotted and issued by the Purchaser to the Vendor (or HKCT as the Vendor may direct) at the issue price of S\$0.0163 per Consideration Share, based on the 3-month VWAP, free from all claims and Encumbrances and with all rights, dividends, benefits and entitlements now or hereafter attaching to the said shares with effect from such date of issue, to satisfy the Consideration;
“Directors”	directors of the Company;
“Disposal”	disposal of the Sale Shares in return for the Consideration Shares;
“Encumbrances”	any form of legal, equitable, or security interests, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, title retention, right to acquire, security interest, hypothecation, option, right of first refusal, any preferential arrangement (including title transfers and retention arrangements or otherwise) any other encumbrance or condition whatsoever or any other arrangements having similar effect;
“Group”	the Company and its subsidiaries;

“HKCT”	Hongkong China Treasury Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of LCR;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“H2G Share(s)”	ordinary share(s) in the issued and paid-up capital of the Purchaser;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Last Trading Day”	27 November 2023, being the last day on which the H2G Shares were traded on the SGX-ST prior to this announcement;
“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;
“LCR Group”	LCR and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Previous Shares”	an aggregate of 142,180,095 new ordinary shares in the Purchaser issued pursuant to the Previous Subscription;
“Previous Subscription”	the subscription of the Previous Shares by HKCT at S\$0.0211 per H2G Share pursuant to the Subscription Agreement;
“Purchaser”	H2G Green Limited, a public company incorporated in Singapore and listed on the Catalist;
“Sale Shares”	616,648 shares that are legally and beneficially owned by the Vendor as at the Completion Date, free from Encumbrances, representing approximately 5.70% of the total number of issued shares of the Target Company as at the date of the Agreement;
“SGX-ST”	the Singapore Exchange Securities Trading Limited;
“Singapore”	the Republic of Singapore;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the subscription agreement dated 14 December 2022 entered into between the Purchaser and HKCT in respect of the Previous Subscription;
“S\$”	Singapore dollars, the lawful currency of Singapore;
“Target Company”	Gashubunited Utility Private Limited, a company incorporated in Singapore and a subsidiary of the Purchaser;
“Vendor”	Direct Union Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of LCR;
“3-month VWAP”	means the daily volume weighted average price of the H2G Shares for trades done on the SGX-ST for the period of three months ending on the full market day immediately prior to (but excluding) the execution of the Agreement; and
“%”	per cent.

As Completion is subject to the fulfilment of certain Conditions Precedent and may or may not proceed, shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 28 November 2023

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\$5.8273. 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.

As at the date of this announcement, the Board comprises eight directors, of which Dr. Stephen Riady (Chairman), Mr. John Luen Wai Lee (Managing Director and Chief Executive Officer) and Mr. Brian Riady as executive Directors, Mr. Jark Pui Lee and Mr. Leon Nim Leung Chan as non-executive Directors and Mr. King Fai Tsui, Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh as independent non-executive Directors.