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LIPPO CHINA RESOURCES LIMITED

力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 156)

MAJOR TRANSACTION

DISPOSAL OF THE ENTIRE INTEREST IN PORBANDAR LIMITED

10th March, 2015

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	13
APPENDIX II — PROPERTY VALUATION REPORT	15
APPENDIX III — GENERAL INFORMATION	20

DEFINITIONS

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

“Agreement”	an agreement for sale and purchase dated 30th January, 2015 entered into between the Purchaser, the Vendor and the Company in relation to the sale and purchase of the Sale Shares and the Sale Loan;
“Auric”	Auric Pacific Group Limited, a company incorporated in the Republic of Singapore with limited liability whose shares are listed on the Main Board of SGX-ST and is interested as to approximately 49.3% by the Company;
“Board”	the board of Directors;
“Business Day”	a day (excluding Saturday, Sunday, other general public holidays in Hong Kong and any day on which a tropical cyclone warning No.8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for business;
“Company”	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 approximately 71.24% indirect subsidiary of Lippo;
“Completion”	completion of the sale and purchase of the Sale Shares and the Sale Loan pursuant to the terms and conditions of the Agreement;
“Completion Date”	31st March, 2015 or such other date as the Vendor and the Purchaser shall agree in writing as the date on which Completion shall take place in accordance with the Agreement;
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules;
“Directors”	directors of the Company;

DEFINITIONS

“Disposal”	the disposal of the Sale Shares and the Sale Loan pursuant to the Agreement;
“Group”	the Company and its subsidiaries;
“HKC”	Hongkong Chinese Limited (香港華人有限公司*), a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange and an approximately 65.84% subsidiary of Lippo;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Lanius”	Lanius Limited, a company incorporated in Hong Kong with limited liability;
“Latest Practicable Date”	5th March, 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“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;
“Lippo Capital”	Lippo Capital Limited, a company incorporated in the Cayman Islands with limited liability;
“Listing Rules” or “Rule”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules;
“Porbandar”	Porbandar Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Vendor;
“PRC”	the People’s Republic of China;

DEFINITIONS

“Proforma Management Accounts”	the unaudited proforma management accounts of Porbandar comprising a balance sheet and income statement together with the notes (if any) for the period commencing from 31st March, 2014 up to and including the Completion Date, to be prepared and provided in accordance with the terms and conditions of the Agreement;
“Property”	all that the entire office on the Forty-third Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong;
“Purchaser”	Alpha Apex Global Limited, a company incorporated in the British Virgin Islands with limited liability;
“Sale Loan”	all the loans together with interests accrued which is outstanding, due and owing by Porbandar to the Company from time to time and to be assigned by the Company to the Vendor immediately prior to Completion, and which amount shall represent the entire amount due to the Vendor by Porbandar as at the Completion Date, and as at 30th November, 2014, the amount due from Porbandar to the Company was HK\$108,399,565;
“Sale Shares”	two shares of US\$1.00 each in, representing the entire issued share capital of, Porbandar;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Share(s)”	ordinary share(s) in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Skyscraper”	Skyscraper Realty Limited, a company incorporated in the British Virgin Islands with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tenancies”	the tenancies between Porbandar as landlord and the respective tenants as tenants affecting the Property;

DEFINITIONS

“Transaction Documents”	the Agreement, deeds of assignment relating to the Sale Loan and any other agreements or contractual arrangements (if any) entered into by the parties thereto in connection with the transactions contemplated under the Agreement;
“Vendor”	Superonic Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“Vigers”	Vigers Appraisal and Consulting Limited, an independent valuer;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“S\$”	Singapore dollars, the lawful currency of the Republic of Singapore;
“THB”	Thai Baht, the lawful currency of Thailand;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

* *for identification purpose*



LIPPO CHINA RESOURCES LIMITED

力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 156)

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. Edwin Neo

Mr. King Fai Tsui

Mr. Victor Ha Kuk Yung

Registered Office:

Rooms 2302 and 2303

23rd Floor

Tower One

Lippo Centre

89 Queensway

Hong Kong

10th March, 2015

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

DISPOSAL OF THE ENTIRE INTEREST IN PORBANDAR LIMITED

INTRODUCTION

Reference is made to the joint announcement of Lippo and the Company dated 30th January, 2015, in which the Directors announced that, the Vendor, a wholly-owned subsidiary of the Company, the Company and the Purchaser entered into the Agreement under which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares and the Sale Loan at an aggregate consideration of HK\$253,356,800 (subject to adjustment pursuant to the terms and conditions of the Agreement).

As one of the applicable percentage ratios in relation to the Disposal exceeds 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and consequently is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any material interest in the Disposal and no Shareholders are required to abstain from voting if the Company is to convene a general meeting to approve the Disposal.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approval in relation to the entering into of the Disposal has been obtained from Skyscraper, being a substantial shareholder of the Company holding 6,544,696,389 Shares, representing approximately 71.24% of the Shares in issue giving the right to attend and vote at general meetings of the Company. No general meeting of the Company will therefore be convened to approve the Disposal.

The purpose of this circular is to provide you with further information regarding the Disposal and the Agreement in accordance with the Listing Rules.

PRINCIPAL TERMS OF THE AGREEMENT

Date

30th January, 2015

Parties

1. The Vendor: Superonic Limited, a wholly-owned subsidiary of the Company
2. The Purchaser: Alpha Apex Global Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

3. Vendor's Guarantor: the Company

Assets to be disposed of

1. Sale Shares: two shares of US\$1.00 each in Porbandar, representing the entire issued share capital of Porbandar. Porbandar is the owner of the Property and the Property is subject to the Tenancies.

LETTER FROM THE BOARD

2. Sale Loan: all the loans together with interests accrued which is outstanding, due and owing by Porbandar to the Company from time to time and to be assigned by the Company to the Vendor immediately prior to Completion, and which amount shall represent the entire amount due to the Vendor by Porbandar as at the Completion Date, and as at 30th November, 2014, the amount due from Porbandar to the Company was HK\$108,399,565.

Completion of the sale and purchase of the Sale Shares and the Sale Loan shall take place simultaneously on the Completion Date.

Consideration and terms of payment

The aggregate consideration payable for the Sale Shares and the Sale Loan shall be HK\$253,356,800 (subject to adjustment pursuant to the terms and conditions of the Agreement) (the "Consideration"), of which the consideration for the Sale Loan shall be an amount equal to the Sale Loan, and the consideration for the Sale Shares shall be an amount equal to the Consideration less the consideration for the Sale Loan. The Consideration shall be paid by the Purchaser to the Vendor or its nominee in the following manner:

- (a) a deposit in the sum of HK\$25,335,680 (the "Deposit") has been paid on the date of signing of the Agreement by a cashier's order; and
- (b) the balance of the Consideration in the sum of HK\$228,021,120 (subject to adjustment pursuant to the terms and conditions of the Agreement) (the "Balance of Consideration") shall be paid by cashier's order(s) on Completion.

Subject to the provisions of the Agreement, if the Purchaser shall (other than due to the default of the Vendor) fail to complete the acquisition and assignment in accordance with the terms and provisions of the Agreement, the Deposit paid by the Purchaser shall be absolutely forfeited as liquidated damages to the Vendor.

Subject to the provisions of the Agreement, the Vendor shall return the Deposit to the Purchaser in certain circumstances as stipulated in the Agreement, the key terms of which are summarised below:

- (1) if the Purchaser has not confirmed to the Vendor in writing on or before 11th March, 2015 on whether the condition precedent relating to due diligence is fulfilled or waived, the Purchaser may by notice in writing to the Vendor by no later than 13th March, 2015 terminate the Agreement whereupon the Vendor shall forthwith return the Deposit to the Purchaser (without interest if the return is made within 7 Business Days of the demand of the Purchaser);

LETTER FROM THE BOARD

- (2) if any of the conditions precedent (other than the conditions precedent relating to due diligence and the disclosure letter) are not fulfilled or waived by the Purchaser on or before 5 Business Days prior to the Completion Date, the Purchaser may by notice in writing to the Vendor terminate the Agreement whereupon the Vendor shall forthwith return the Deposit to the Purchaser (without interest if the return is made within 7 Business Days of the demand of the Purchaser);
- (3) in the event of it being found prior to Completion that any of the warranties of the Vendor as set out in the Agreement are untrue, misleading or incorrect in any material respect or have not been fully carried out in any material respect and materially adversely affecting the interest of the Purchaser, the Purchaser may by notice rescind the Agreement whereupon the Vendor shall forthwith return the Deposit to the Purchaser;
- (4) if the Vendor shall (other than due to the default of the Purchaser) fail to complete the sale and purchase and assignment and acquisition in accordance with the terms and provisions of the Agreement, the Vendor shall immediately refund to the Purchaser the Deposit paid (without interest) pursuant to the Agreement; and
- (5) if the Purchaser shall make and insist on any objection or requisition as to title of the Property which the Vendor shall be unable or (on the ground of difficulty, delay or expense or on any other reasonable ground) unwilling to remove or comply with or if the title of the Property is defective, the Vendor shall be at liberty on giving not less than 5 Business Days' written notice to annul the sale of the Sale Shares and the Sale Loan, in which case unless the objection or requisition in question shall have been removed, the sale of the Sale Shares and the Sale Loan shall at the expiration of the said notice be annulled and the Purchaser shall in that event be entitled to the return of Deposit (without interest if such return is made within 7 Business Days of demand).

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser on normal commercial terms with reference to (i) the market value of the properties in the proximity of the Property taking into account the unit selling price per square foot of recently transacted neighbouring office buildings in Admiralty area; (ii) the amount of the Sale Loan; and (iii) the net asset value of Porbandar.

The property valuation report of Vigers prepared for the purpose of this circular supported the Board's decision to enter into the Agreement with the Purchaser as the valuation amount is close to the book value of the Property of HK\$253,356,800, which represents the fair value of the Property.

The Disposal enables the Group to realise its property investments in Porbandar at its fair value as the Consideration was determined based on the net asset value of Porbandar after taking into account the fair value of the Property.

Adjustment Mechanism

Upon Completion, the major asset owned by Porbandar will be the Property and the major liabilities owed by Porbandar will be the Sale Loan (which will be assigned to the Purchaser on Completion). Apart from the aforesaid major asset and major liabilities, Porbandar may on Completion have some minor items of current assets including management fee and utility

LETTER FROM THE BOARD

deposits paid and cash and bank balances (the "Current Assets"), and some minor items of current liabilities including rent deposits received and other payables and accruals and provision for tax (including but not limited to the profits tax and/or property tax attributable to the leasing of the Property (if any) but excluding any deferred tax liability) and excluding the Sale Loan (the "Current Liabilities"). These items of Current Assets and Current Liabilities will be recorded and reflected in the Proforma Management Accounts, and the amount of the Balance of Consideration payable at Completion will be adjusted upward or downward (as the case may be) based on the net amount of Current Assets less the Current Liabilities as reflected in the Proforma Management Accounts.

The Vendor and the Purchaser further acknowledged and agreed that all incomes (including rents received) and all outgoings (including but not limited to the government rent, rates and management fees) in respect of the Property respectively accrued up to and including the Completion Date should be accrued or provided in determining the abovementioned adjustment.

Guarantee by the Company

In consideration of the Purchaser entering into the Agreement, the Company irrevocably and unconditionally:

- (a) guarantees to the Purchaser the punctual performance by the Vendor of all the Vendor's obligations under the Transaction Documents; and
- (b) undertakes with the Purchaser that whenever the Vendor does not pay any amount when due under or in connection with any obligations under the Agreement or any other Transaction Documents or of any damages for breach of the same or any of the Vendor's warranties, representations or undertakings contained therein, the Company shall pay that amount as if it were the principal obligor.

Conditions Precedent

The obligations of the Purchaser to purchase the Sale Shares and the Sale Loan are conditional upon the fulfilment (or waiver in whole or in part by the Purchaser) of certain conditions set out in the Agreement, the key terms of which are summarised below:

- (a) the Vendor having satisfied the Purchaser that Porbandar has good title to the Property and is the sole legal and beneficial owner of the Property subject to and in accordance with the terms and conditions of the Agreement;
- (b) the draft Proforma Management Accounts having been delivered to the Purchaser's solicitors/accountants for review not less than 5 Business Days before the Completion Date;
- (c) the results of the due diligence exercise on business, financial, tax, legal and other aspects of Porbandar to be carried out by the Purchaser and/or its advisers and agents being reasonably satisfactory to the Purchaser;

LETTER FROM THE BOARD

- (d) the Vendor having provided to the Purchaser on or before 9th March, 2015 with the duly signed disclosure letter with the Purchaser (acting reasonably) acknowledged and accepted by no later than 11th March, 2015; and
- (e) shareholders' approval of each of the Company and Lippo approving the entering into by the Company and the Vendor of the Agreement and the transactions contemplated thereunder having been obtained in accordance with the requirements of Listing Rules, if so required.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposal would be a good opportunity for the Vendor to realise its investments in Porbandar and furthermore, the Disposal will enable the Group to free up capital for its operations.

The Board (including the independent non-executive Directors) believes that the terms of the Disposal as a whole are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON PORBANDAR

Porbandar is a company incorporated in the British Virgin Islands. The principal business activity of Porbandar is property investment whose major asset is the Property. The profit of Porbandar is mainly attributable to the Property.

The unaudited profit before taxation and the unaudited profit after taxation of Porbandar for the fifteen months ended 31st March, 2013 and the year ended 31st March, 2014 which were prepared in accordance with generally accepted accounting principles in Hong Kong, were as follows:

	For the fifteen months ended 31st March, 2013 <i>HK\$'000</i>	For the year ended 31st March, 2014 <i>HK\$'000</i>
Profit before taxation	11,880	61,401
Profit after taxation	11,880	61,401

EXPECTED GAIN FROM THE DISPOSAL AND POSSIBLE FINANCIAL EFFECTS OF THE DISPOSAL

Based on the unaudited financial statements of Porbandar as at 30th November, 2014, the unaudited net asset value of Porbandar and the book value of the Property were approximately HK\$144,112,000 and HK\$253,356,800 respectively, and the unaudited shareholder loan advanced to Porbandar amounted to HK\$108,399,565. In other words, the consideration is the same as the net book value of the assets of Porbandar.

LETTER FROM THE BOARD

Upon Completion, Porbandar would cease to be a subsidiary of the Company and the results, assets and liabilities of Porbandar would cease to be consolidated into the accounts of the Company. In addition, the Disposal would have an effect to increase the consolidated total assets of the Group and decrease the consolidated total liabilities of the Group.

It is expected that the Group will record a gain of approximately HK\$10,857,000 from the Disposal, which is calculated with reference to the Consideration for the Disposal and the aggregate of the net asset value of Porbandar as at 31st March, 2014 recorded in the books of the Company and selling expenses and other related expenses incurred and estimated to be incurred.

The exact amount of the gain on the Disposal to be recorded in the consolidated statement of profit or loss of the Group for the year ending 31st March, 2015 is subject to audit, and will be calculated based on net asset value of Porbandar disposed of as at Completion and net of any incidental expenses and therefore may be varied from the figure provided above.

USE OF PROCEEDS

It is intended that the net proceeds from the Disposal will be retained as general working capital of the Group.

INFORMATION ON THE COMPANY AND THE VENDOR

The principal business activity of the Company is investment holding. The principal activities of the subsidiaries, associates, joint ventures and joint operations of the Company include investment holding, property investment, property development, food business, property management, mineral exploration, extraction and processing, securities investment, treasury investment and money lending.

The principal business activity of the Vendor is investment holding.

INFORMATION ON THE PURCHASER

To the best knowledge of the Board, the principal business of the Purchaser is investment holding.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios in relation to the Disposal exceeds 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and consequently is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any material interest in the Disposal and no Shareholders are required to abstain from voting if the Company is to convene a general meeting to approve the Disposal.

LETTER FROM THE BOARD

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approval in relation to the entering into of the Disposal has been obtained from Skyscraper, being a substantial shareholder of the Company holding 6,544,696,389 Shares, representing approximately 71.24% of the Shares in issue giving the right to attend and vote at general meetings of the Company. No general meeting of the Company will therefore be convened to approve the Disposal.

RECOMMENDATION

The Board considers that the terms of the Disposal as a whole are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
LIPPO CHINA RESOURCES LIMITED
John Luen Wai Lee
Chief Executive Officer

1. FINANCIAL INFORMATION OF THE GROUP

Details of the published financial information of the Group for each of the three financial years/period ended 31st December, 2011, 31st March, 2013 and 31st March, 2014 are disclosed in the annual reports of the Company for the financial years/period ended 31st December, 2011, 31st March, 2013 and 31st March, 2014 respectively, all of which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.lcr.com.hk>).

2. INDEBTEDNESS STATEMENT

As at 31st January, 2015, 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\$726 million, comprising secured bank loans of approximately HK\$634 million, unsecured bank loans of approximately HK\$53 million, secured obligations under finance leases for certain plant and equipment of approximately HK\$3 million, secured bankers' guarantees of approximately HK\$34 million and unsecured bankers' guarantees of approximately HK\$2 million.

The bank loans were secured by first legal mortgages over certain investment properties, leasehold land and buildings and properties under development of the Group. The obligation under finance leases are secured by the rights to the leased plant and equipment. The bankers' guarantees are secured by certain bank deposits of the Group.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 31st January, 2015, 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, whether guaranteed, unguaranteed, secured or unsecured borrowings or debt, mortgages, charges, guarantees or other material contingent liabilities.

The Directors confirm that, save as disclosed above, there are no material changes in the indebtedness and contingent liabilities of the Group since 31st January, 2015.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account (i) the internal resources available to the Group; (ii) the presently available banking facilities; and (iii) the estimated net proceeds from the Disposal, and in the absence of unforeseeable circumstances, the Group will have sufficient working capital for its present requirement for at least the next twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The outlook of the global economy is clouded with considerable uncertainties. The Group will continue to streamline and strengthen its existing businesses and operations to meet the challenges ahead. Management is watchful of economic fluctuations ahead and will continue to take a cautious and prudent approach in managing the Group's assets and assessing new investment opportunities to enhance shareholders' value. The Disposal will enable the Group to realise the value of its investment at an opportunate time and partly share the rewards of this investment with the Shareholders. The properties at Lippo Centre in Hong Kong will form a major part of the Group's current investment property portfolio and continue to provide stable and recurring revenue to the Group. Besides, food businesses are another major sources of revenue of the Group. Competition in the food businesses is stiff and cost pressures on manpower and rental are not expected to ease in the immediate term. The Group will continue to re-align its resources for its business growth and enhance its operational efficiency. In addition, in relation to the "securities and treasury investment" segment, with the increase in working capital after the Disposal, the Group will continue to cautiously manage its investment portfolio in view of the market conditions and its business needs with a view to maximising returns to the Shareholders.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Vigers Appraisal and Consulting Limited, an independent professional valuer, in connection with the valuation as at 31st January, 2015 of the Property held by the Group.

Vigers Appraisal and Consulting Limited

International Property Consultants

10/F, The Grande Building, 398 Kwun Tong Road, Kowloon,
Hong Kong Tel: (852) 2342-2000 Fax: (852) 3101-9041 E-mail: gp@vigers.com
www.vigers.com



10th March 2015

The Board of Directors

Lippo China Resources Limited

Rooms 2302 and 2303, Tower One

Lippo Centre

89 Queensway

Admiralty

Hong Kong

Dear Sirs,

In accordance with your instruction for us to value the property located at 43rd Floor of Tower One, Lippo Centre, No. 89 Queensway, Admiralty, Hong Kong (the "Property") held by Lippo China Resources Limited (referred to as "the Company") and its subsidiaries (together with the Company, referred to as "the Group"), we confirm that we have inspected part of the Property, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of value of the Property as at 31st January 2015 (the "Valuation Date").

Basis of Valuation

Our valuation is our opinion of market value of the property interests which is defined as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". Our valuation has been prepared in accordance with "The HKIS Valuation Standards (2012 Edition)" published by The Hong Kong Institute of Surveyors, the relevant provisions in the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board).

Valuation Method

In our valuations, we have valued the tenanted portions of the Property on the basis of capitalisation of net rental income derived from the existing tenancies with allowance onto the reversionary interest of the Property and made reference to comparable market transactions. In valuing the portions of the Property which are either vacant or owner-occupied, we have employed the direct comparison method whereby comparisons based on transactions on actual sales of comparable property have been made. Comparable property with similar character, location, sizes and so on are analyzed and carefully weighed against all respective advantages and disadvantages of the Property in order to arrive at the fair comparison of values.

Title Investigation

We have conducted land searches at the Land Registry but we have not searched the original documents to ascertain ownership nor to verify any lease amendments which may not appear on the copies handed to us. All documents have been used for reference purposes and all dimensions, measurements and areas are therefore approximations.

Valuation Assumptions

Our valuation has been made on the assumption that the Property can be sold in the prevailing market in existing state on a vacant possession basis without the effect of any deferred term contract, leaseback, joint venture, management agreement or any other similar arrangement which may serve to affect the value of the Property, unless otherwise noted or specified. In addition, no account has been taken into of any option or right of pre-emption concerning or affecting the sale of the Property.

In our valuation, we have assumed that the owner of the Property has free and uninterrupted rights to use and assign the Property during the whole of the unexpired land-use right's term granted subject to the payment of usual land-use fee.

No investigation has been carried out to determine the suitability of the ground conditions or the services for any property development erected on the Property. Our valuation has been carried out on the assumption that these aspects are satisfactory. We have also assumed that all necessary consents, approvals and licences from relevant government authorities have been or will be granted without onerous conditions or delay.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property or any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, we have assumed that the Property is free from any encumbrances, restrictions and outgoings of an onerous nature which may serve to affect the value of the Property.

Other special assumptions for the Property have been stated in the valuation certificate, if any.

Valuation Consideration

An inspection to part of the Property has been carried out on 6th February 2015 by Mr. Eric W. L. Tang MRICS and Ms. Sarah S. L. Book BA (Housing Management). During the course of our inspection, we did not note any serious defect. However, no structural survey nor test on any of the services has been made and we are therefore unable to report as to whether the Property is free from rot, infestation or other structural or non-structural defect.

Having examined all relevant documents, we have relied to a considerable extent on the information given by the Group, particularly in respect of planning approvals or statutory notices, easements, land-use rights, site areas, floor areas, occupancy status and in the identification of the property.

Unless otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on the information contained in the documents provided to us by the Group and are therefore approximations. We have had no reason to doubt the truth and accuracy of the information made available to us and we have been advised by the Group that no material facts have been omitted from the information so given.

Remarks

We declare hereby that we are independent to the Group and we are not interested directly or indirectly in any share in any member of the Group. We do not have any right or option whether legally enforceable or not to subscribe for or to nominate persons to subscribe for any share in any member of the Group.

Unless otherwise stated, all monetary amounts stated herein are denoted in the currency of Hong Kong Dollars ("HK\$"), the lawful currency of Hong Kong.

We enclose herewith our Valuation Certificate.

Yours faithfully,
For and on behalf of

VIGERS APPRAISAL AND CONSULTING LIMITED

David W. I. Cheung
MRICS MHKIS RPS(GP)
Executive Director

Eric W.L. Tang
BSc(Hon) MRICS
Assistant Director

Note: Mr. David W. I. Cheung is a Registered Professional Surveyor in General Practice Division with over 31 years' valuation experience on property in various regions including Hong Kong, Macao, the PRC, Japan, the United Kingdom, Canada and the United States of America, who has been vetted on the list of property valuers for undertaking valuations for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers published by The Hong Kong Institute of Surveyors, and is suitably qualified for undertaking valuations relating to listing exercises. Mr. Cheung has over 8-year of experience with Vigers Appraisal and Consulting Limited.

Mr. Eric W. L. Tang is a Member of the Royal Institution of Chartered Surveyors with over 10 years' valuation experience on property in various regions including Hong Kong, Macao and the PRC. Mr. Tang has 7-year of experience with Vigers Appraisal and Consulting Limited.

VALUATION CERTIFICATE

Property held by the Group for investment purpose

Property	General Description	Occupancy Status	Capital Value as at the Valuation Date
43rd Floor of Tower One, Lippo Centre, No. 89 Queensway, Admiralty, Hong Kong	The Property comprises the whole 43rd floor of Tower One of Lippo Centre which was built in 1988. The property is served by 4 passenger lifts, 1 cargo lift and two staircases.	According to the tenancy details provided by the Company, majority of the Property is leased out with details as below:	HK\$250,100,000
884/102,750th parts or pieces of ground known and registered in the Land Registry as Inland Lot No. 8615	<p>As advised by the Company, the Property has a total gross floor area of approximately 10,216 square feet (949.10 square metres) or thereabout. Height of ceiling of the Property is approximately 3.50 metres.</p> <p>Inland Lot No. 8615 is held under Conditions of Sale No. UB11720 for a term of 75 years commencing on 15th February 1984 renewable for a further term of 75 years with Government Rent payable of HK\$1,000 per annum.</p> <p>The Property lies in the area zoned "Commercial" in Central District Outline Zoning Plan No. S/H4/14.</p>	<p>Unit No. 4301 was leased out for a term commencing on 16th September 2014 and expiring on 31st December 2019 at a monthly rent of HK\$215,000; Unit No. 4305 was leased out for a term commencing on 15th June 2012 and expiring on 14th June 2015 at a monthly rent of HK\$40,590; Unit Nos. 4306 and 4307 were leased out for a term commencing on 15th February 2012 and expiring on 14th February 2015 at a monthly rent of HK\$107,495; and Unit No. 4308 was leased out for a term commencing on 1st October 2012 and expiring on 30th September 2015 at a monthly rent of HK\$67,571; whilst the remaining portion (Unit No. 4309) is vacant.</p>	

Note

1. Pursuant to our land search record, the current registered owner of the Property is PORBANDAR LIMITED vide Memorial No. UB5549232 dated 8th January 1993.
2. Pursuant to our land search record, the Property is subject to the following salient encumbrances:
 - i. Deed of Mutual Covenant vide Memorial No. UB3824584 dated 31st August 1988;
 - ii. Certificate of Compliance (Remarks: from District Land Office, Hong Kong West to Admiralty Development Limited) vide Memorial No. UB3824585 dated 31st August 1988;

- iii. Certificate of Compliance (Remarks: from Registrar General's Dept. to Admiralty Development Limited) vide Memorial No. UB3832333 dated 8th September 1988;
 - iv. Supplemental Deed of Mutual Covenant vide Memorial No. UB4877936 dated 27th June 1991;
 - v. Building Management Agreement vide Memorial No. UB4956580 dated 29th August 1991;
 - vi. Supplemental Agreement (Remark: Supplemental Agreement Supplemental to Mem.No.4531998) in favour of East Tower Holding Limited vide Memorial No. UB4970686 dated 2nd September 1991;
 - vii. Modification Letter vide Memorial No. UB5086877 dated 19th November 1991; and
 - viii. Memorandum of Change of Name (Remarks: Lippo Tower of Lippo Centre changed to Tower 1 & Peregrine Tower of Lippo Centre changed to Tower 2) vide Memorial No. UB7422184 dated 18th February 1998.
3. Inspection to part of the Property, including the exterior and portion of the interior thereof, was carried out by Mr. Eric W.L. Tang MRICS and Ms. Sarah S. L. Book BA (Housing Management) on 6th February 2015. During the course of our inspection, no serious defect was noted; and the condition of the Property is considered to be reasonable. Building services such as water supply, electricity and automatic sprinkler systems, hose reels, air-conditioning system were available in main parts of the Property. Neither structural survey nor test on any services was made; and hence we are unable to report as to whether the Property is free from rot, infestation or other structural or non-structural defect.
 4. The Property lies in the area zoned "Commercial" in Central District Outline Zoning Plan No. S/H4/14. This zone is intended primarily for commercial developments, which may include uses such as office, shop, services, place of entertainment, eating place and hotel, functioning as territorial business/financial centre(s) and regional or district commercial/shopping centre(s). These areas are usually major employment nodes.
 5. The Property is situated on Queensway in Admiralty District which is a commerce area where dominated by Grade A office buildings and commercial premises of various ages. The unit price of recently transacted neighbouring Grade A office buildings in Admiralty and Central area range from HK\$17,019 to HK\$24,134 per square feet whilst the unit rent of office premises range from HK\$48 to HK\$56 per square feet on gross floor area basis. The general market yield of Grade A office premises is at around 2.9%.
 6. The Property is free from any other mortgage or third parties' encumbrance.

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 chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, 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)	Other interests	Total interests	Approximate percentage of total interests in the issued shares
Number of ordinary shares in the Company					
Stephen Riady	—	—	6,544,696,389 <i>Notes (i) and (ii)</i>	6,544,696,389	71.24
Number of ordinary shares in Lippo					
Stephen Riady	—	—	319,322,219 <i>Note (i)</i>	319,322,219	64.75
John Luen Wai Lee	1,031,250	—	—	1,031,250	0.21
Number of ordinary shares of HK\$1.00 each in HKC					
Stephen Riady	—	—	1,315,707,842 <i>Notes (i) and (iii)</i>	1,315,707,842	65.84
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 (within the meaning of Part XV of the SFO) of the Company, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in an aggregate of 319,322,219 ordinary shares in, representing approximately 64.75% of the issued shares of, Lippo. Lanius, an associated corporation (within the meaning of Part XV of the SFO) of the Company, is the holder of 705,690,001 ordinary shares of HK\$1.00 each in, representing the entire issued shares of, Lippo Capital. Lanius is the trustee of a discretionary trust which was founded by Dr. Mochtar Riady, who does not have any interest in the issued shares of Lanius. The beneficiaries of the trust included, inter alia, Dr. Stephen Riady and other members of the family. Dr. Stephen Riady was taken to be interested in Lippo Capital under the provisions of the SFO.
- (ii) As at the Latest Practicable Date, Lippo was indirectly interested in 6,544,696,389 Shares, representing approximately 71.24% of the issued shares of, the Company.
- (iii) As at the Latest Practicable Date, Lippo was indirectly interested in 1,315,707,842 ordinary shares of HK\$1.00 each in, representing approximately 65.84% of the issued shares of, HKC.

As at the Latest Practicable Date, Dr. Stephen Riady, as a beneficiary of the aforesaid discretionary trust, through his deemed interest in Lippo Capital as mentioned in Note (i) above, was also taken to be interested in the issued shares of the following associated corporations (within the meaning of Part XV of the SFO) of the Company:

Name of associated corporation	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Abital Trading Pte. Limited	Ordinary shares	2	100
Blue Regent Limited	Ordinary shares	100	100
Boudry Limited	Ordinary shares	10	100
	Non-voting deferred shares	1,000	100
Brimming Fortune Limited	Ordinary shares	1	100
Broadwell Overseas Holdings Limited	Ordinary shares	1	100
First Tower Corporation	Ordinary shares	1	100
Grand Peak Investment Limited	Ordinary shares	2	100
Great Honor Investments Limited	Ordinary shares	1	100

Name of associated corporation	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Greenorth Holdings Limited	Ordinary shares	1	100
HKCL Investments Limited	Ordinary shares	1	100
Honix Holdings Limited	Ordinary shares	1	100
International Realty (Singapore) Pte. Limited	Ordinary shares	2	100
J & S Company Limited	Ordinary shares	1	100
Lippo Assets (International) Limited	Ordinary shares	1	100
	Non-voting deferred shares	15,999,999	100
Lippo Finance Limited	Ordinary shares	6,176,470	82.35
Lippo Investments Limited	Ordinary shares	2	100
Lippo Realty Limited	Ordinary shares	2	100
Multi-World Builders & Development Corporation	Ordinary shares	4,080	51
Skyscraper	Ordinary shares	10	100
The HCB General Investment (Singapore) Pte Ltd.	Ordinary shares	100,000	100
Valencia Development Limited	Ordinary shares	800,000	100
	Non-voting deferred shares	200,000	100
Winroot Holdings Limited	Ordinary shares	1	100

As at the Latest Practicable Date, Dr. Stephen Riady, as beneficial owner and through his nominee, was interested in 5 ordinary shares in, representing approximately 16.67% of the issued shares of, Lanius which is the holder of the entire issued shares of Lippo Capital. Lanius is the trustee of a discretionary trust which was founded by Dr. Mochtar Riady (father of Dr. Stephen Riady), who does not have any interest in the issued shares of Lanius. The beneficiaries of the trust included, inter alia, Dr. Stephen Riady and other members of the family.

As at the Latest Practicable Date, for the reasons mentioned above, through his deemed interest in Lippo Capital, Dr. Stephen Riady was taken to be interested in 61,927,335 ordinary shares in, representing approximately 49.28% of the issued shares of, Auric, an associated corporation (within the meaning of Part XV of the SFO) of the Company.

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 (within the meaning of Part XV of the SFO).

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 (within the meaning of Part XV of the SFO) (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 (within the meaning of Part XV of the SFO).

Dr. Stephen Riady is also a director of each of Lanius, Lippo Capital, Lippo, First Tower Corporation (“First Tower”) and Skyscraper. Mr. John Luen Wai Lee is also a director of each of First Tower, Skyscraper and Lippo. Messrs. Leon Nim Leung Chan, Edwin Neo, Victor Ha Kuk Yung and King Fai Tsui 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 nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group were as follows:

(a) The Company

Name	Number of Shares	Approximate percentage
Lippo	6,544,696,389	71.24
Lippo Capital	6,544,696,389	71.24
Lanius	6,544,696,389	71.24
Dr. Mochtar Riady	6,544,696,389	71.24
Madam Lidya Suryawaty	6,544,696,389	71.24

Note (a):

- 6,544,696,389 Shares were held by Skyscraper directly as beneficial owner which in turn is a wholly-owned subsidiary of First Tower Corporation ("First Tower"). First Tower is a wholly-owned subsidiary of Lippo. Lippo Capital, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in ordinary shares representing approximately 64.75% of the issued shares of Lippo.
- Lanius is the holder of the entire issued shares of Lippo Capital and is the trustee of a discretionary trust which was founded by Dr. Mochtar Riady, who does not have any interest in the issued shares of Lanius. Dr. Mochtar Riady and his wife Madam Lidya Suryawaty were taken to be interested in the Shares under the provisions of the SFO.
- Lippo's interests in the Shares were recorded as the interests of Lippo Capital, Lanius, Dr. Mochtar Riady and Madam Lidya Suryawaty. The above 6,544,696,389 Shares related to the same block of Shares that Dr. Stephen Riady was interested, details of which 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.

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

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

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

Note (c): See also (b) above in respect of the substantial shareholders of Jeremiah.

(d) Lippo Select HK & Mainland Property ETF

Name	Number of units	Approximate percentage
World Grand Holding Limited (“World Grand”)	1,841,500	94.4

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

(e) Auric

Name	Number of ordinary shares	Approximate percentage
Jeremiah	4,999,283	3.98
Nine Heritage	20,004,000	15.92
Pantogon Holdings Pte Ltd (“Pantogon”)	36,165,052	28.78
Goldstream Capital Limited	27,493,311	21.88

Note (e): Nine Heritage is a subsidiary of Jeremiah and Pantogon is a wholly-owned subsidiary of the Company. See also (b) above in respect of the substantial shareholders of Jeremiah and (a) above in respect of the substantial shareholders of the Company.

(f) LCR Catering Services Limited

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

Note (f): All Around is a subsidiary of Auric. See also (e) above in respect of the substantial shareholders of Auric.

(g) Mequestic Investments Limited

Name	Number of ordinary shares of US\$1.00 each	Percentage
Charm Fit Pte Ltd (“Charm Fit”)	6	60
Aaron Group Limited	4	40

Note (g): Charm Fit is a wholly-owned subsidiary of Auric. See also (e) above in respect of the substantial shareholders of Auric.

(h) DLF (Thailand) Ltd

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

Note (h): Delifrance Asia and Edmonton are wholly-owned subsidiaries of Auric. See also (e) above in respect of the substantial shareholders of Auric.

(i) Asia Now Resources Corp.

Name	Number of ordinary shares	Approximate percentage
China Gold Pte. Limited (“China Gold”)	60,735,104	52.2

Note (i): China Gold is a wholly-owned subsidiary 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 nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any service contract with the Company or any other member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. COMPETING INTERESTS OF DIRECTORS AND 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.

Other than the independent non-executive Directors, Dr. Stephen Riady and Messrs. John Luen Wai Lee and Leon Nim Leung Chan are also directors of Lippo, an intermediate holding company of the Company, and HKC, a fellow subsidiary of the Company. Further details of the Directors' interests in Lippo and HKC 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 HKC 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 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 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' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

Save for Dr. Stephen Riady who is deemed to be interested in the following agreement, 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:

- A supply agreement dated 31st October, 2013 entered into between Auric Pacific Marketing Pte. Ltd. ("APM"), a wholly-owned subsidiary of Auric which in turn is a subsidiary of the Company, and OUE Limited ("OUE"), a subsidiary of a joint venture of HKC which in turn is a subsidiary of Lippo, in respect of the sale and supply of food and beverage products by APM to OUE. The term of the supply agreement shall be three years from 31st October, 2013 to 30th October, 2016. The prices of the food and beverage products sold by APM shall be at such prices and terms of sales as set out in the price book of APM, exclusive of GST. Payment of the price and other amount payable by OUE to APM shall be effected within 30 days from the date of such invoice issued by APM, the payment term of which is no less favourable than those given to other customers of APM who are independent third parties.

Based on the estimates on the sales volume, the prevailing and anticipated unit price of the food and beverage products to be transacted and the expected appreciation of Singapore Dollars in the relevant period in respect of the revenues to be receivable under the above supply agreement, the Company estimated that the maximum aggregate revenues receivable by APM under the above supply agreement for the year ending 31st March, 2015 to be HK\$6,400,000 (approximately S\$1,000,000).

As at the Latest Practicable Date, the followings were particulars of assets acquired or disposed of by or leased to members of the Group since 31st March, 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up, in which Dr. Stephen Riady had a direct or indirect interest:

- a. On 13th August, 2014, a tenancy agreement was entered into between 邁博餐飲管理(上海)有限公司 (Maibo Restaurant Management (Shanghai) Co., Ltd) (“Maibo”), a non-wholly owned subsidiary of Auric, and 力寶置業(上海)有限公司 (Lippo Realty (Shanghai) Limited) (“LRSL”), a subsidiary of OUE Commercial Real Estate Investment Trust which in turn is a joint venture of HKC, pursuant to which Maibo agreed to lease from LRSL Shop 303B, 304–305, Third Floor, Lippo Plaza, No. 222 Huaihai Zhong Road, Shanghai, the PRC (“Lippo Plaza”) for a term of one year from 1st August, 2014 to 31st July, 2015, both days inclusive, at a turnover rent of up to 10% calculated by reference to the turnover generated at the above premises, for use as a restaurant. The rental is exclusive of property management fee and other outgoings. Based on the estimates on the turnover, it was estimated that the total rentals to be payable by Maibo under the above tenancy would be less than HK\$2 million.
- b.
 - (i) On 22nd August, 2014, a tenancy agreement was entered into between Serene Yield Limited (“Serene Yield”), a wholly-owned subsidiary of the Company, and LCR Catering Services Limited (“LCR Catering”), a non-wholly owned subsidiary of Auric, pursuant to which LCR Catering agreed to lease from Serene Yield Unit 4, Ground Floor, Lippo Centre, 89 Queensway, Hong Kong (“Lippo Centre”) for a term of three years from 22nd August, 2014 to 21st August, 2017, both days inclusive, at a monthly rental of HK\$398,200, exclusive of rates, service charge and all other outgoings, for use as a restaurant. The service charge of HK\$65,040 per month (subject to adjustment) shall be payable by LCR Catering to Serene Yield and such service charge shall not exceed HK\$90,000 per month;
 - (ii) On 22nd August, 2014, a tenancy agreement was entered into between Serene Yield and Delifrance (HK) Limited (“Delifrance”), a wholly-owned subsidiary of Auric, pursuant to which Delifrance agreed to lease from Serene Yield Shop 1A–1B, First Floor, Lippo Centre for a term of three years from 22nd August, 2014 to 21st August, 2017, both days inclusive, at a monthly rental of HK\$65,000, exclusive of rates, service charge and all other outgoings, for use as a bakery café and a western style restaurant under the trade name and/or trademark of “Delifrance” and/or any other trade name approved by Serene Yield. The service charge of HK\$2,505 per month (subject to adjustment) shall be payable by Delifrance to Serene Yield and such service charge shall not exceed HK\$4,000 per month; and

- (iii) On 22nd August, 2014, a tenancy agreement was entered into between Serene Yield and Delifrance pursuant to which Delifrance agreed to lease from Serene Yield Shop 1B-1E, Ground Floor, Lippo Centre for a term of three years from 22nd August, 2014 to 21st August, 2017, both days inclusive, at a monthly rental of HK\$26,000, exclusive of rates, service charge and all other outgoings, for use as a high class shop providing sandwiches and light meals under the trade name or style of "Delifrance" or a kitchen support to other Delifrance stores. The service charge of HK\$8,065 per month (subject to adjustment) shall be payable by Delifrance to Serene Yield and such service charge shall not exceed HK\$12,000 per month.

Pursuant to the above tenancy agreements, each of LCR Catering and Delifrance (as the case may be) shall have an option to renew for a further term of three years upon their current lease expiry at the then open market rent for prime retail/restaurant accommodation in the Admiralty District of Hong Kong provided that each of LCR Catering and Delifrance (as the case may be) is not in breach of its existing tenancy agreement(s) and the rentals for such additional term shall not be more than 20% higher than the rents payable during the last year of the initial term under the above tenancy agreements.

- c. On 22nd August, 2014, a licence agreement was entered into between West Tower Holding Limited ("WTHL"), a wholly-owned subsidiary of the Company, as licensor, and LCR Catering, as licensee, in respect of four night car parking spaces in the first basement of Lippo Centre. A licence fee of HK\$5,300 per month (subject to adjustment) shall be payable by LCR Catering to WTHL. The term of the licence agreement shall be three years from 22nd August, 2014 to 21st August, 2017, both days inclusive.
- d. On 29th August, 2014, a tenancy agreement (the "Porbandar Head Lease") was entered into between Porbandar and LCR Management Limited ("LCR Management"), a wholly-owned subsidiary of the Company, pursuant to which LCR Management agreed to lease from Porbandar Room 4301, 43rd Floor, Tower One, Lippo Centre (the "4301 Premises") for a term of five years and three months and sixteen days from 16th September, 2014 to 31st December, 2019, both days inclusive, at a monthly rental of HK\$215,000, exclusive of rates, service charge and all other outgoings. The service charge of HK\$25,355 per month (subject to adjustment) shall be payable by LCR Management to Porbandar. On 16th September, 2014, a sub-tenancy agreement was entered into between HKC, as lessee, and LCR Management, as lessor, in relation to the 4301 Premises (the "HKC Sub-tenancy") following the Porbandar Head Lease entered into between Porbandar as superior lessor and LCR Management as lessor. Pursuant to the terms of the HKC Sub-tenancy, LCR Management has agreed to grant to HKC a sub-tenancy of the 4301 Premises for a term of three years from 16th September, 2014 to 15th September, 2017, both days inclusive, at a monthly rental of HK\$215,000, exclusive of rates, service charge and all other outgoings, for use as office space. The service charge of HK\$25,355 per month (subject to adjustment) shall be payable by HKC to LCR Management and such service charge shall not exceed HK\$34,800 per month.

- e. On 29th August, 2014, a tenancy agreement (the “Superform Head Lease”) was entered into between Superform Investment Limited (“Superform”), a wholly-owned subsidiary of the Company, and LCR Management pursuant to which LCR Management agreed to lease from Superform 24th Floor, Tower One, Lippo Centre for a term of five years from 1st January, 2015 to 31st December, 2019, both days inclusive, at a monthly rental of HK\$626,000, exclusive of rates, service charge and all other outgoings. The service charge of HK\$80,080 per month (subject to adjustment) shall be payable by LCR Management to Superform. On 31st December, 2014, a sub-tenancy agreement was entered into between Lippo, as lessee, and LCR Management, as lessor, (the “Lippo Sub-tenancy”) in relation to a portion of 24th Floor, Tower One, Lippo Centre (the “Sub-lease Premises”) following the Superform Head Lease entered into between Superform as superior lessor and LCR Management as lessor. Pursuant to the terms of the Lippo Sub-tenancy, LCR Management has agreed to grant to Lippo sub-tenancy of the Sub-lease Premises for a term of three years from 1st January, 2015 to 31st December, 2017, both days inclusive, at a monthly rental of HK\$490,650, exclusive of rates, service charge and all other outgoings, for use as office space. The service charge of HK\$53,390 per month (subject to adjustment) shall be payable by Lippo to LCR Management and such service charge shall not exceed HK\$70,000 per month.

HKC is a subsidiary of Lippo which is held as to approximately 64.75% by Lippo Capital. Lippo Capital is wholly owned by Lanius which is the trustee of a discretionary trust, the beneficiaries of which include, inter alia, Dr. Stephen Riady and other members of the family. Dr. Stephen Riady, through companies controlled by him, was indirectly interested as to approximately 21.9% of the total issued shares of Auric. Such interest was subsequently transferred to his son-in-law.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been 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 since 31st March, 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up.

7. LITIGATION

So far as the Directors are aware, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or arbitration of material importance was pending or threatened against any member of the Group as at the Latest Practicable Date.

8. MATERIAL CONTRACTS

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

- (a) the agreement dated 16th October, 2013 entered into between the Company and OUE Eastern Limited (a wholly-owned subsidiary of the OUE Commercial Real Estate Investment Trust, the units of which are listed on the SGX-ST) for the sale of the entire issued share capital of Tecwell Limited which, through its wholly-owned subsidiary, owns the properties at Lippo Plaza in Shanghai with a gross floor area of approximately 58,522 square metres, for a final cash consideration of approximately HK\$833.7 million;
- (b) the agreement dated 26th February, 2014 entered into between the Company, Superonic Limited (“Superonic”) (a wholly-owned subsidiary of the Company) as vendor, Jivas Pacific Limited (“Jivas”) (a then wholly-owned subsidiary of Superonic) and Winson Investment Holdings Limited as purchaser, for the sale and purchase of one ordinary share of US\$1.00 in Jivas, representing the entire issued share capital of Jivas, and the assignment of (i) all the loans advanced by Superonic to Jivas and due and owed by Jivas to Superonic and (ii) all the loans advanced by the Company to Bondlink Investment Limited (“Bondlink”), a wholly-owned subsidiary of Jivas, and due and owed by Bondlink to the Company from time to time and assigned by the Company to Superonic prior to completion, at a final cash consideration of approximately HK\$282.6 million. Jivas’s sole investment is its shareholding in Bondlink whose major asset is the entire office on the 42nd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong;
- (c) the provisional agreement dated 7th August, 2014 entered into between Reiley Inc. (“Reiley”) (a wholly-owned subsidiary of the Company) as seller and Mr. Cheng Tung Leong (“Mr. Cheng”) for the disposal of the entire issued share capital of Chung Po Investment and Development Company Limited (“CPID”) and a shareholders loan in an aggregate amount of not less than HK\$458,022,769.46 due from CPID to Reiley at an aggregate consideration of HK\$1,278,300,000.00 (the “CPID Disposal”). Pursuant to and in accordance with the above provisional agreement, Mr. Cheng has nominated New Jumbo Holdings Limited (“New Jumbo”) as buyer to enter into the formal sale and purchase agreement for the CPID Disposal. On 26th August, 2014, Reiley, New Jumbo and Mr. Cheng entered into the formal sale and purchase agreement in respect of the CPID Disposal. CPID, through its wholly-owned subsidiary, owns the property at 4 Shuiwan Road, Gongbei, Zhuhai City, Guangdong Province, PRC with a total site area of approximately 14,142 square metres and a gross floor area of approximately 28,698 square metres; and
- (d) the Agreement.

9. QUALIFICATION AND CONSENT OF EXPERT

The qualification of the expert who has given opinion or advice contained in this circular is set out as follows:

Name	Qualification
Vigers	Property valuer

As at the Latest Practicable Date, Vigers did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it has any interest, direct or indirect, in any assets which had, since 31st March, 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up, been 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.

Vigers has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and/or reference to its name in the form and context in which it is included.

10. MISCELLANEOUS

- (a) The Secretary of the Company is Ms. Millie Yuen Fun Luk, a fellow member of each of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.
- (b) The registered office of the Company is situated at Rooms 2302 and 2303, 23rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.
- (c) The transfer office of the Company is situated at the office of its registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturday, Sunday and public holiday excluded) at the registered office of the Company which is situate at Rooms 2302 and 2303, 23rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong for 14 days from the date of this circular:

- (a) the articles of association of the Company;
- (b) copies of the material contracts referred to under the paragraph headed "Material contracts" in this appendix;
- (c) the property valuation report prepared by Vigers, the text of which is set out in Appendix II to this circular;

- (d) the written consent from Vigers referred to in paragraph headed “Qualification and consent of expert” in this appendix;
- (e) the published audited consolidated financial statements of the Company for the fifteen months ended 31st March, 2013 and for the year ended 31st March, 2014;
- (f) a copy of each circular issued by the Company pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules since the date to which the latest published audited consolidated financial statements of the Company were made up; and
- (g) this circular.

12. LANGUAGE

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