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

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

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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 ISSUED SHARE CAPITAL OF
CHUNG PO INVESTMENT AND
DEVELOPMENT COMPANY LIMITED**

19th September, 2014

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DEFINITIONS

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

“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;
“Buyer”	New Jumbo Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“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 of the Formal Sale and Purchase Agreement;
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules;
“Consideration”	the aggregate consideration for the Sale Shares and the Sale Loan;
“Directors”	directors of the Company;
“Disposal”	the disposal of the Sale Shares and the Sale Loan pursuant to the Formal Sale and Purchase Agreement;
“Formal Sale and Purchase Agreement”	the formal sale and purchase agreement dated 26th August, 2014 entered into between the Seller, the Buyer and Mr. Cheng in respect of the sale and purchase of the Sale Shares and the Sale Loan;
“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;
“Lanios”	Lanios Limited;

DEFINITIONS

“Latest Practicable Date”	12th September, 2014, 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;
“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;
“Mr. Cheng”	Mr. Cheng Tung Leong;
“PRC”	the People’s Republic of China;
“Property”	the portion of the proposed composite property development located at 4 Shuiwan Road, Gongbei, Zhuhai City, Guangdong Province, PRC with a total site area of approximately 14,142 square metres and an existing gross floor area of approximately 28,698 square metres;
“Provisional Agreement”	the provisional agreement dated 7th August, 2014 entered into between Mr. Cheng and the Seller in relation to the sale and purchase of the Sale Shares and the Sale Loan;
“RHL”	RHL Appraisal Limited, an independent valuer;
“Sale Loan”	a shareholders loan in the aggregate amount of not less than HK\$458,022,769.46 due from the Target to the Seller immediately prior to Completion;
“Sale Shares”	1,001 ordinary shares in the capital of the Target, representing the entire issued share capital of the Target;
“Seller”	Reiley Inc., a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“SGX-ST”	Singapore Exchange Securities Trading Limited;

DEFINITIONS

“Share(s)”	ordinary share(s) in issue of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Skyscraper”	Skyscraper Realty Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target”	Chung Po Investment and Development Company Limited 香港中寶投資發展有限公司, a company incorporated in Hong Kong with limited liability;
“Target Group”	the Target and the Target Subsidiary;
“Target Subsidiary”	珠海中寶置業有限公司 (Zhuhai Chung Po Realty Limited) (formerly known as 珠海力寶置業有限公司 (Zhuhai Lippo Realty Limited)), a company established in the PRC and as at the date of this circular is wholly-owned by the Target;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC;
“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

19th September, 2014

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

**DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
CHUNG PO INVESTMENT AND
DEVELOPMENT COMPANY LIMITED**

INTRODUCTION

Reference is made to the joint announcement of Lippo and the Company dated 11th August, 2014, in which the Directors announced that, the Seller, a wholly-owned subsidiary of the Company, and Mr. Cheng entered into the Provisional Agreement under which the Seller has agreed to sell, and Mr. Cheng has agreed to purchase, the Sale Shares and the Sale Loan at an aggregate consideration of HK\$1,278,300,000. Pursuant to and in accordance with the Provisional Agreement, Mr. Cheng has nominated the Buyer to enter into the Formal Sale and Purchase Agreement. On 26th August, 2014, the Seller, the Buyer and Mr. Cheng entered into the Formal Sale and Purchase Agreement in respect of the Disposal.

LETTER FROM THE BOARD

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Disposal exceed 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 notification, publication 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.

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 of the Sale Shares and the Sale Loan 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, the Provisional Agreement (to the extent not superseded by the Formal Sale and Purchase Agreement) and the Formal Sale and Purchase Agreement in accordance with the Listing Rules.

THE PROVISIONAL AGREEMENT AND THE FORMAL SALE AND PURCHASE AGREEMENT

On 7th August, 2014, the Seller, a wholly-owned subsidiary of the Company, and Mr. Cheng entered into the Provisional Agreement under which the Seller has agreed to sell, and Mr. Cheng has agreed to purchase, the Sale Shares and the Sale Loan at an aggregate consideration of HK\$1,278,300,000.

Pursuant to and in accordance with the Provisional Agreement, Mr. Cheng has nominated the Buyer to enter into the Formal Sale and Purchase Agreement. On 26th August 2014, the Seller, the Buyer and Mr. Cheng entered into the Formal Sale and Purchase Agreement in respect of the Disposal, which superseded the Provisional Agreement (save for the provision in the Provisional Agreement relating to the Exclusivity Payment (as defined below)). The material terms of the Formal Sale and Purchase Agreement are in substance consistent with the material terms of the Provisional Agreement and are summarised below. However, given written approvals in relation to the disposal of the Sale Shares and the Sale Loan had been obtained from the respective substantial shareholders of Lippo and the Company, Completion under the Formal Sale and Purchase Agreement was no longer subject to any condition.

LETTER FROM THE BOARD

Date of the Formal Sale and Purchase Agreement: 26th August, 2014

Parties:

1. The Seller: Reiley Inc., a wholly-owned subsidiary of the Company.
2. The Buyer: New Jumbo Holdings Limited. To the best knowledge and information of the Directors, the Buyer is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer and its ultimate beneficial owners are third parties independent of the Company and its connected persons.
3. Mr. Cheng: To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Cheng is a third party independent of the Company and its connected persons.

Under the Formal Sale and Purchase Agreement, Mr. Cheng irrevocably and unconditionally guaranteed to the Seller, as a continuing obligation, the due and punctual performance by the Buyer of all of the Buyer's obligations under the Formal Sale and Purchase Agreement. The Formal Sale and Purchase Agreement further provides that the obligations and undertakings of the Buyer under the Formal Sale and Purchase Agreement are to be construed as joint and several obligations of the Buyer and Mr. Cheng.

Assets to be disposed of

1. Sale Shares: being the entire issued share capital of the Target. The Target wholly-owns the Target Subsidiary whose principal assets are its direct interests in the Property.
2. Sale Loan: being a shareholder loan in an aggregate amount of not less than HK\$458,022,769.46 due from the Target to the Seller immediately prior to Completion.

Exclusivity Payment

Under the Provisional Agreement, Mr. Cheng had paid to the Seller in cash an amount of HK\$255,660,000 (the "Exclusivity Payment") on 11th August, 2014 in consideration of, among other things, the opportunity to conduct the due diligence on the Target, the Target Subsidiary and their businesses and assets.

Under the Formal Sale and Purchase Agreement, Mr. Cheng has unconditionally, irrevocably and absolutely assigned to the Buyer of all of his rights, title, interest and benefits in and to the Exclusivity Payment with effect from the date of the Formal Sale and Purchase Agreement.

LETTER FROM THE BOARD

Consideration and terms of payment

The aggregate consideration for the sale of the Sale Shares and the Sale Loan shall be HK\$1,278,300,000 and payable in cash by the Buyer to the Seller in the following manner:

- (a) HK\$255,660,000, by applying the Exclusivity Payment paid under the Provisional Agreement in discharge of a corresponding amount of the Consideration;
- (b) HK\$383,490,000, being 30% of the Consideration and a non-refundable deposit, shall be payable in cash on 28th August, 2014; and
- (c) HK\$639,150,000, being the balance of the Consideration, shall be payable at Completion.

The deposit of HK\$383,490,000 was paid on 27th August, 2014.

The Buyer acknowledged that the Exclusivity Payment had been made by Mr. Cheng subject to the terms of the Provisional Agreement and the Seller, the Buyer and Mr. Cheng further acknowledged and agreed that the Exclusivity Payment (whatever name called, including after such amounts have been applied in accordance with the provisions of the Formal Sale and Purchase Agreement to satisfy part of the Consideration) and the deposit of HK\$383,490,000 once paid to the Seller, are and shall be non-refundable regardless of whether the Buyer proceeds with Completion or not.

The Consideration was determined after arm's length negotiation on normal commercial terms between the Seller, the Buyer and Mr. Cheng and after the Seller taking into account the amount invested by the Seller (including the Sale Loan), the market value of the Property and its development potential (including (but not limited to) the size, the strategic location where there is good access and traditionally high customer traffic, the status and market appetite).

Completion

Completion of the sale and purchase of the Sale Shares and the Sale Loan shall take place on 9th October, 2014 or such other date as mutually agreed in writing by the parties.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposal would be a good opportunity for the Seller to realise its investments in the Target Group at a profit and furthermore, the Disposal will enable the Group to free up capital for its operations. Reference is also made to the announcements issued by the Company dated 9th May, 2014 and 27th June, 2014 relating to the strategic review of the Group completed by an external financial adviser and, upon consideration of the recommendations of such financial adviser, the decision of the Board to explore, amongst others, the sale of certain individual assets of the Group to maximize the value to the Shareholders. The Board considers that the Disposal is in line with such decision to sell individual assets.

LETTER FROM THE BOARD

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 THE TARGET GROUP

The Target is a company incorporated in Hong Kong and its principal business activity is investment holding. The Target Subsidiary is wholly-owned by the Target, and its principal business activity is property investment and property development. The principal assets of the Target Subsidiary are its direct interests in the Property. The Property comprises two land lots with a total site area of approximately 14,142 square metres and a portion of the commercial podium of the proposed development with an existing gross floor area of approximately 28,698 square metres was completed in 1998. The proposed development was intended to comprise a commercial podium, a hotel and a residential block. Immediately before the Disposal, the Group had no concrete plan for further development of the Property. As the Property is being disposed of, no future development plan will be considered.

Set out below is the unaudited consolidated financial information of the Target Group for the fifteen months ended 31st March, 2013 and for the year ended 31st March, 2014, prepared in accordance with generally accepted accounting principles in Hong Kong:

	For the fifteen months ended 31st March, 2013	For the year ended 31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net Profit before taxation	18,257	59,876
Net Profit after taxation	14,734	44,805

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

Based on the unaudited financial statements of the Target Group as at 31st March, 2014, the unaudited consolidated net asset value of the Target Group and the book value of the Property (which is classified as an investment property) were approximately HK\$145,144,000 and HK\$516,990,000 respectively, and the unaudited shareholder loan advanced to the Target amounted to approximately HK\$458,023,000. The Disposal is expected to give rise to a non-recurring gain attributable to the Group of approximately HK\$751 million (subject to audit and before expenses and taxes), which is calculated based on the difference between the consideration attributable to the Sale Shares and the unaudited consolidated net asset value of the Target Group as at 31st March, 2014, after taking into the release of exchange equalisation reserve.

LETTER FROM THE BOARD

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 consolidated net asset value of the Target Group as at Completion and net of any incidental expenses and therefore may be varied from the figure provided above.

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

USE OF PROCEEDS

It is intended that approximately 34% of the net proceeds from the Disposal will be retained for repayment of loans of the Group for reducing its debt ratio and the remaining net proceeds will be retained as general working capital of the Group.

INFORMATION ON THE COMPANY AND THE SELLER

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 Seller is investment holding.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Disposal exceed 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 notification, publication 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.

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 of the Sale Shares and the Sale Loan 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.

LETTER FROM THE BOARD

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 (www.hkexnews.hk) and the Company (www.lcr.com.hk).

2. INDEBTEDNESS STATEMENT

As at 31st August, 2014, 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\$668 million, comprising secured bank loans of approximately HK\$589 million, unsecured bank loans of approximately HK\$32 million, secured obligations under finance leases for certain plant and equipment of approximately HK\$4 million, secured bankers' guarantees of approximately HK\$37 million and unsecured bankers' guarantees of approximately HK\$6 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 August, 2014, 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 August, 2014.

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 global economy is expected to improve modestly, led by a sustained recovery in the U.S. and Eurozone economies. However, the global economic environment remains uncertain. The Group is seeking to streamline and strengthen its existing business to meet the challenges ahead as stated in the annual report for the year ended 31st March 2014. 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 the stable and recurring revenue to the Group. The Group has started its property development projects in Huai An and Taizhou City, both located in Jiangsu Province, mainland China. The Huai An project will be developed into an integrated residential, commercial and retail complex with a total gross floor area of approximately 250,000 square metres whereas the Taizhou City project will be developed into townhouses and residential towers with a total gross floor area of approximately 220,000 square metres. 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 maximizing 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 RHL Appraisal Limited, an independent valuer, in connection with its valuation as at 30th June, 2014 of the Property held by Lippo China Resources Limited and its subsidiaries.



永利行評值顧問有限公司
RHL Appraisal Limited
Corporate Valuation & Advisory

T +852 2730 6212
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Room 1010, 10/F, Star House,
Tsimshatsui, Hong Kong

19 September, 2014

The Board of Directors

Lippo China Resources Limited

Rooms 2302 and 2303, Tower One,
Lippo Centre,
No. 89 Queensway,
Hong Kong

Dear Sirs/Madam,

INSTRUCTIONS

We refer to your instruction for us to value the property held by Lippo China Resources Limited (the “Company”) and its subsidiaries (the “Group”) located in the People’s Republic of China (the “PRC”). We confirm that we have carried out property inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interest as at 30 June 2014 (the “Valuation Date”).

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

BASIS OF VALUATION

The valuation is our opinion of the market value (“Market Value”) which we would define 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 wherein the parties had each acted knowledgeably prudently and without compulsion.

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase and without offset for any associated taxes or potential taxes.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

We have valued the property interest by using the Direct Comparison Approach based on the principle of substitution, where comparison based on prices realized on actual sales and/or asking prices of comparable properties is made. Comparable properties of similar sizes, scales, natures, characters and locations are analyzed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at fair comparisons of market value.

VALUATION CONSIDERATIONS

In valuing the property interest, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2012 Edition.

VALUATION ASSUMPTION

In our valuation, unless otherwise stated, we have assumed that:

- a. transferable land use rights in respect of the Property for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid;
- b. the owner of the Property has enforceable title to the Property and has free and uninterrupted right to use, occupy or assign the Property for the whole of the respective unexpired terms as granted;
- c. no deleterious or hazardous materials or techniques have been used in the construction of the Property;
- d. the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown; and
- e. the Property is connected to main services and sewers which are available on normal terms.

TITLE INVESTIGATION

We have been shown copies of various documents relating to the property interest. However, we have not examined the original documents to verify the existing titles to the property interest or any amendment which does not appear on the copies handed to us. We have relied considerably on the information given by the Group's PRC legal advisers, Commerce & Finance Law Offices, concerning the validity of the titles to the property interest.

LIMITING CONDITIONS

We have conducted on-site inspection to the Property on 22 August 2014 by Mr. Kevin Mok. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the Property is free from rot infestation or any other defects. No tests were carried out on any of the services.

We have not carried out investigations on site to determine the suitability of the ground conditions and the services etc., for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses or delay will be incurred during the development period.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

We have relied to a considerable extent on information provided by the Group and accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material fact has been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our report for any charges, mortgages or amounts owing on the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

The reported market value only applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

REMARKS

We have valued the Property in Renminbi (RMB).

Our valuation certificate is herewith attached.

Yours faithfully,
For and on behalf of
RHL Appraisal Ltd.
Peggy Y. Y. Lai
MHKIS, MRICS, RPS(GP), BSC
Senior Associate Director

Ms. Peggy Y.Y. Lai is a Registered Professional Surveyor (GP) with over 18 years' experience in valuation of properties in HKSAR, Macau SAR, United Kingdom, Canada, mainland China and the Asia Pacific Region. Ms. Lai is a Professional Member of The Royal Institution of Chartered Surveyors, a Member of The Hong Kong Institute of Surveyors as well as a Member of China Institute of Real Estate Appraisers and Agents in the PRC.

VALUATION CERTIFICATE

Property interests held by the Group for investment purpose

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014 RMB
Phase I and proposed phases II & III of Lippo CTS Plaza, Shuiwan Road, Gongbei, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC (the "Property")	Lippo CTS Plaza (the "Development") is a composite development erected on two parcels of land with a total site area of approximately 14,142.00 sq.m. (152,224 sq.ft.). The Development was intended to comprise a commercial podium (phase I), a hotel (phase II) and a residential building (phase III) with a total gross floor area of approximately of 86,742 sq.m. (933,691 sq.ft.). A portion of the commercial podium (phase I) of the Development with a total gross floor area of approximately 28,698.00 sq.m. (308,905 sq.ft.) was completed in 1998 (please see Note 4). The land use rights of portion of the Property were granted for residential and commercial uses whilst the remaining portion was allocated for hotel and commercial uses (please see Notes 1 and 2).	The Property is vacant.	114,000,000 (RENMINBI ONE HUNDRED AND FOURTEEN MILLION ONLY) (please see Note 3)

Notes:

- Pursuant to a Real Estate Title Certificate — 粵房地權證珠字第0100142093號 (Yue Fang Di Quan Zheng Zhu Zi Di No.0100142093) dated 21 December 2011, the land use rights of portion of the property with a site area of approximately 244.00 sq.m. were granted to 珠海中寶置業有限公司 (Zhuhai Chung Po Realty Limited) (formerly known as 珠海力寶置業有限公司 (Zhuhai Lippo Realty Limited)) ("ZCP") for a term expiring on 18 February 2039 for commercial uses (the "Land I").
- Pursuant to a Real Estate Title Certificate — 粵房地權證珠字第0100142092號 (Yue Fang Di Quan Zheng Zhu Zi Di No.0100142092) dated 22 December 2011, the land use rights of the remaining portion of the property with a site area of approximately 13,898.00 sq.m. were granted to ZCP for residential use for a term from 24th May, 1993 to 24th May, 2063 while the land use rights for hotel and commercial uses were allocated (the "Land II").
- We have attributed no commercial value to phase I and proposed phase II of the Property as these portions are built/to be built over an allocated land with restrictions on the rights of disposal. For your reference purpose only, by assuming that such portion of the Property can be freely transferred in the market with no extra premium payable, the reference value in its existing state as at the Valuation Date would be RMB296,000,000.

4. As advised by the Company, no future development plan will be considered since the Property is being disposed of.
5. We have been provided with a legal opinion by the Group's PRC legal advisor, Commerce & Finance Law Offices, regarding the legal title of the Property, which contains, inter alia, the followings:
 - i the Property is legally held by ZCP;
 - ii For Land I, which Property granted under Real Estate Title Certificate mentioned in Note 1, ZCP is entitled to transfer, lease, mortgage or dispose of the property freely in the market;
 - iii For Land II,
 - (i) For residential use portion which granted under Real Estate Title Certificate mentioned in Note 2, ZCP is entitled to transfer, lease, mortgage or disposal;
 - (ii) For hotel and commercial use portion which was obtained by administrative allocation under Real Estate Title Certificate mentioned in Note 2, ZCP is entitled to transfer or dispose of such portion after obtaining the approval from the government and paying of land grant premium;
 - (iii) Rental income derived from hotel or commercial development attributable to the land portion should be paid to the government;
 - iv the Property is free from any other mortgage or third parties' encumbrance; and
 - v Pursuant to the Certificate of Approval issued by Zhuhai Municipal People's Government dated 22 August 2014 and business license issued by Zhuhai Administrative Bureau for Industry and Commerce dated 25 August 2014, ZCP has been renamed from 珠海力寶置業有限公司 (Zhuhai Lippo Realty Limited) to 珠海中寶置業有限公司 (Zhuhai Chung Po Realty Limited).

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 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, Dr. Stephen Riady was interested in 27,493,311 ordinary shares in Auric, an associated corporation (within the meaning of Part XV of the SFO) of the Company, held by Goldstream Capital Limited, which in turn is a wholly-owned subsidiary of Bravado International Ltd. ("Bravado"). Dr. Stephen Riady is the beneficial owner of the entire issued share capital of Bravado. For the reasons mentioned above, through his deemed interest in Lippo Capital, Dr. Stephen Riady was also taken to be interested in 61,927,335 ordinary shares in Auric. Accordingly, Dr. Stephen Riady was interested and taken to be interested in an aggregate of 89,420,646 ordinary shares in, representing approximately 71.16% of the issued shares of, Auric.

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):

1. 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.
2. 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.
3. 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
Edmontor Investments Pte Ltd (“Edmontor”)	5	0.1

Note (h): Delifrance Asia and Edmontor 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”)	57,739,904	51

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 per cent. 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.

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, is indirectly interested as to approximately 21.9% of the total issued shares of Auric.

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 subscription agreement dated 20th February, 2013 entered into between GSH Corporation Limited (“GSH”), a company listed on the SGX-ST and Golden Super Holdings Limited (“Golden Super”) (a wholly-owned subsidiary of the Company) for the subscription by Golden Super of 184,653,669 new ordinary shares in the capital of GSH at an aggregate subscription price of S\$17,542,098.56 and GSH is primarily engaged in the business of distribution of IT, photographic and timepiece products with distribution networks spanning many emerging markets in Asia, the Middle East and Central Asia;
- (b) the share purchase agreement dated 1st March, 2013 entered into between Charm Fit Pte. Ltd. (“Charm Fit”) (a wholly-owned subsidiary of Auric) and Asian Hotel & Resort Group Limited (“Asian Hotel”) for the sale of all of Charm Fit’s redeemable preference shares of S\$0.10 each in the share capital of Auric Pacific Real Estate Fund (the “Fund”), representing 60% of the issued and outstanding redeemable preference shares of the Fund. The sole ordinary share of the Fund held by AP Fund Management Pte. Ltd (a wholly-owned subsidiary of Auric) was also sold to Asian Hotel. The total consideration for the sale of the above shares in the Fund amounted to HK\$130,752,647.08;
- (c) 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;
- (d) 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;

- (e) the Provisional Agreement; and
- (f) the Formal Sale and Purchase 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
RHL	Property valuer

As at the Latest Practicable Date, RHL 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.

RHL 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 from the date of this circular and up to and including 10th October, 2014:

- (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 RHL, the text of which is set out in Appendix II to this circular;
- (d) the written consent from RHL 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; and
- (f) this circular.

12. LANGUAGE

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