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LIPPO LIMITED

力寶有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 226)

HONGKONG CHINESE LIMITED

香港華人有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 655)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

**Undertakings in relation to OUE H-Trust Rights Issue
and Exchangeable Loans to joint ventures**

The respective Boards of Lippo and HKC announce that on 7 March 2016:

- (1) Hennessy, a wholly-owned subsidiary of Lippo and an existing stapled security holder of OUE H-Trust, has entered into the Hennessy Undertaking, pursuant to which Hennessy provided certain undertakings to, amongst other things, take up its entitlement to Rights Stapled Securities under the OUE H-Trust Rights Issue; and
- (2) HKC, an approximate 65.84% owned subsidiary of Lippo, has entered into the HKC and LAAPL Subsidiaries Undertaking, pursuant to which, amongst other things, HKC agreed that it or its wholly-owned subsidiary shall provide funding to LAAPL Subsidiaries, the subsidiaries of a principal joint venture of HKC and existing stapled security holders of OUE H-Trust, to enable them to take up their respective entitlements to Rights Stapled Securities under the OUE H-Trust Rights Issue and, in order to provide such funding, HKC Subsidiary, a wholly-owned subsidiary of HKC, has also entered into the EL Agreements with each of LAAPL Subsidiaries as borrower, pursuant to which HKC Subsidiary agreed to make available the Exchangeable Loans in an aggregate amount of approximately S\$18.4 million (equivalent to approximately HK\$101.7 million) to LAAPL Subsidiaries.

In respect of the Total Rights Issue Commitments:

- (1) as one or more of the applicable percentage ratios under rule 14.07 of the Listing Rules with regards to (i) the foregoing commitments of the Lippo Group exceed 5% but less than 25%, the entering into of the Hennessy Undertaking and the entering into of the EL Agreements including the EL Exercise (being the same commitments as contemplated under the HKC and LAAPL Subsidiaries Undertaking) constitute a discloseable

transaction for Lippo and (ii) the EL Exercise exceeds 5% but less than 25%, the entering into of the EL Agreements including the EL Exercise constitutes a discloseable transaction for HKC, respectively under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements but are exempted from shareholders' approval requirement under the Listing Rules. Given the EL Exercise may be at the discretion of the borrowers of the EL Agreements, the transactions are classified as if the EL Exercise had taken place; and

- (2) if the provision of the Exchangeable Loans to the LAAPL Subsidiaries is required to be aggregated with the transactions referred to in the joint announcements made by Lippo and HKC on 29 May 2015, 28 August 2015 and 30 November 2015 (the "**Previous Transactions**"), then as one or more of the applicable percentage ratios under rule 14.07 of the Listing Rules exceed 25% but are less than 100%, the entering into of the EL Agreements when aggregated with the Previous Transactions would continue to constitute a major transaction for each of Lippo and HKC under Chapter 14 of the Listing Rules and would not result in a higher transaction classification. Given Lippo and HKC had complied with the major transaction requirements in respect of the Previous Transactions, the transactions contemplated under the EL Agreements would not be required to be reclassified by aggregating with the Previous Transactions.

TOTAL RIGHTS ISSUE COMMITMENTS

The respective Boards of Lippo and HKC announce that on 7 March 2016:

- (1) Hennessy, a wholly-owned subsidiary of Lippo and an existing stapled security holder of OUE H-Trust has entered into the Hennessy Undertaking, pursuant to which Hennessy provided certain undertakings to, amongst other things, take up its entitlement to Rights Stapled Securities under the OUE H-Trust Rights Issue; and
- (2) HKC, an approximate 65.84% owned subsidiary of Lippo, has entered into the HKC and LAAPL Subsidiaries Undertaking, pursuant to which, amongst other things, HKC agreed that it or its wholly-owned subsidiary shall provide funding to LAAPL Subsidiaries, the subsidiaries of a principal joint venture of HKC and existing stapled security holders of OUE H-Trust, to enable them to take up their respective entitlements to Rights Stapled Securities under the OUE H-Trust Rights Issue and, in order to provide such funding, HKC Subsidiary, a wholly-owned subsidiary of HKC, has also entered into the EL Agreements with each of LAAPL Subsidiaries as borrower, pursuant to which HKC Subsidiary agreed to make available the Exchangeable Loans in an aggregate amount of approximately S\$18.4 million (equivalent to approximately HK\$101.7 million) to LAAPL Subsidiaries.

The Hennessy Undertaking and the HKC and LAAPL Subsidiaries Undertaking

Based on the terms of OUE H-Trust Rights Issue as announced by OUE H-Trust on the date of this announcement, the amount payable by Hennessy (as current holder of 17,000,000 OUE H-Trust Stapled Securities) to take up its total provisional allotment of Rights Stapled Securities under the OUE H-Trust Rights Issue in accordance with the requirements of the Hennessy Undertaking is approximately S\$3 million (equivalent to approximately HK\$16.8 million).

Based on the terms of OUE H-Trust Rights Issue as announced by OUE H-Trust, the amount payable by the LAAPL Subsidiaries (as current holders of 103,152,734 OUE H-Trust Stapled Securities in aggregate) to take up their respective total provisional allotment of Rights Stapled Securities under the OUE H-Trust Rights Issue in accordance with the requirements of the HKC and LAAPL Subsidiaries Undertaking is approximately S\$18.4 million (equivalent to approximately HK\$101.7 million). Accordingly, HKC or its wholly-owned subsidiary shall provide funding in such aggregate amount to the LAAPL Subsidiaries in accordance with the requirements of the HKC and LAAPL Subsidiaries Undertaking.

The obligations under each of the Hennessy Undertaking and the HKC and LAAPL Subsidiaries Undertaking are conditional on, amongst other things, the lodgement of the offer information statement for the Rights Stapled Securities with the Monetary Authority of Singapore and come into force on the date of this announcement and terminate upon the earlier of, among other events, the termination of Management and Underwriting Agreement or upon the release of an announcement by the Managers of their decision not to proceed with the OUE H-Trust Rights Issue for any reason whatsoever.

The EL Agreements

HKC will satisfy its obligation under the HKC and LAAPL Subsidiaries Undertaking by providing the Exchangeable Loans through HKC Subsidiary, its wholly-owned subsidiary, as lender to each of LAAPL Subsidiaries as borrowers, in each case on and in accordance with the terms of the relevant EL Agreement.

Summarised below are the key terms of the EL Agreements:

	EL Agreement 1	EL Agreement 2
Date of EL Agreement:	7 March, 2016	
Lender:	HKC Subsidiary	HKC Subsidiary
Borrower:	LAAPL Subsidiary 1	LAAPL Subsidiary 2
Exchangeable Loan:	Principal amount of approximately S\$3.5 million (equivalent to approximately HK\$19.1 million)	Principal amount of approximately S\$14.9 million (equivalent to approximately HK\$82.6 million)
Drawdown and Closing:	A date to be notified by the Borrower to the Lender and shall be no later than 4 April 2016, being the closing date of the OUE H-Trust Rights Issue	

Exchange Right:	The aggregate principal amount of the Exchangeable Loan is exchangeable in full into all of the Rights Stapled Securities to be taken up by the relevant borrower under the OUE H-Trust Rights Issue (including all rights attaching thereto or arising therefrom from time to time) and the exchange right is exercisable by the relevant borrower or the lender at any time from the drawdown date. In the event that the exchange right cannot be exercised due to legal restrictions and/or any other reason or upon exercise of exchange right, the transfer of the underlying securities cannot be effected for whatever reason, the lender has the right to require the relevant borrower to sell the underlying securities (on terms as the lender may direct) and transfer the net proceeds to the lender.
Maturity Date:	If the OUE H-Trust Rights Issue is terminated after the drawdown of the Exchangeable Loan has taken place or if the relevant borrower fails to complete subscription for all of the Rights Stapled Securities to which the relevant borrower is entitled for whatever reason (including if any acceptance of its entitlement by the relevant borrower is invalid or unsuccessful), the first business day after the relevant borrower having received the refunded amount paid on acceptance and/or application but in any event not more than ten business days after the closing date of the OUE H-Trust Rights Issue.
Security:	None

SOURCE OF FUNDS

Hennessy will finance the amount payable by it to take up its total provisional allotment of Rights Stapled Securities under the OUE H-Trust Rights Issue in accordance with the Hennessy Undertaking from the internal resources of the Lippo Group.

The HKC Group will finance the Exchangeable Loans from its internal resources.

The basis upon which the amount payable for the subscription of the Rights Stapled Securities was determined was disclosed in the announcement of OUE H-Trust issued on the date of this announcement. The amounts under the Hennessy Undertaking, the HKC and LAAPL Subsidiaries Undertaking and the EL Agreements were determined based on the amount payable by Hennessy and the LAAPL Subsidiaries respectively to take up their entitlements under the OUE H-Trust Rights Issue.

INFORMATION ON LAAPL SUBSIDIARIES AND OUE H-TRUST

LAAPL Subsidiary 1 was incorporated in the British Virgin Islands whereas LAAPL Subsidiary 2 was incorporated in Singapore. LAAPL Subsidiary 2 is wholly owned by LAAPL Subsidiary 1 which in turn is owned as to approximately 92.05% by LAAPL, which is a principal joint venture of HKC.

The principal business activity of each of the LAAPL Subsidiaries is investment holding.

OUE H-Trust is a stapled group comprising OUE H-REIT (managed by the REIT Manager) and OUE H-BT (managed by the Trustee-Manager). The existing stapled securities of OUE H-Trust are listed and traded on SGX-ST. Each of the REIT Manager and the Trustee-Manager are wholly-owned subsidiaries of OUE. LAAPL Subsidiaries have an aggregate interest of approximately 68.52% in OUE, the shares of which are listed on SGX-ST.

OUE, LAAPL Subsidiaries and Hennessy are holders of existing stapled securities in OUE H-Trust as to 470,927,352 (direct and through the REIT Manager), 103,152,734 and 17,000,000 respectively.

Save as disclosed above and to the best of the knowledge, information and belief of the respective Boards of Lippo and HKC, having made all reasonable enquiries, the other shareholder of LAAPL, the other shareholder of Fortune Code Limited (being a non-wholly owned subsidiary of LAAPL and wholly owns LAAPL Subsidiary 1) (and their respective ultimate beneficial owners) and the other holders of stapled securities of OUE H-Trust are third parties independent of each of Lippo and HKC and their respective connected persons.

INFORMATION ON LIPPO, HKC, HENNESSY AND HKC SUBSIDIARY

The principal business activity of Lippo is investment holding. The principal activities of the subsidiaries, associates, joint ventures and joint operations of Lippo include investment holding, property investment, property development, hotel operation, food business, property management, project management, mineral exploration, extraction and processing, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

The principal business activity of Hennessy is investment holding. Hennessy is an indirect wholly-owned subsidiary of Lippo.

The principal business activity of HKC is investment holding. The principal activities of the subsidiaries, associates and joint ventures of HKC include investment holding, property investment, property development, hotel operation, project management, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

The principal business activity of HKC Subsidiary is investment holding. HKC Subsidiary is an indirect wholly-owned subsidiary of HKC which in turn is an approximate 65.84% indirect subsidiary of Lippo.

REASONS FOR THE ENTERING INTO OF THE HENNESSY UNDERTAKING, THE HKC AND LAAPL SUBSIDIARIES UNDERTAKING AND THE EL AGREEMENTS

The respective Boards of Lippo and HKC consider the OUE H-Trust Rights Issue to be a good investment opportunity for the Lippo Group and HKC Group, whether directly or through entitlements of its principal joint ventures, the LAAPL Subsidiaries, to top-up their investments in OUE H-Trust and the terms of the Hennessy Undertaking, the HKC and LAAPL Subsidiaries Undertaking and the Exchangeable Loans are considered to be fair and reasonable and on normal

commercial terms and in the interests of each of Lippo and HKC and their respective shareholders as a whole.

LISTING RULES IMPLICATIONS

In respect of the Total Rights Issue Commitments:

- (1) as one or more of the applicable percentage ratios under rule 14.07 of the Listing Rules with regards to (i) the foregoing commitments of the Lippo Group exceed 5% but less than 25%, the entering into of the Hennessy Undertaking and the entering into of the EL Agreements including the EL Exercise (being the same commitments as contemplated under the HKC and LAAPL Subsidiaries Undertaking) constitute a discloseable transaction for Lippo and (ii) the EL Exercise exceeds 5% but less than 25%, the entering into of the EL Agreements including the EL Exercise constitutes a discloseable transaction for HKC under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements but are exempted from shareholders' approval requirement under the Listing Rules. Given the EL Exercise may be at the discretion of the borrowers of the EL Agreements, the transactions are classified as if the EL Exercise had taken place; and
- (2) if the provision of the Exchangeable Loans to the LAAPL Subsidiaries are required to be aggregated with the transactions referred to in the joint announcements made by Lippo and HKC on 29 May 2015, 28 August 2015 and 30 November 2015 (the "**Previous Transactions**"), then as one or more of the applicable percentage ratios under rule 14.07 of the Listing Rules exceed 25% but are less than 100%, the entering into of the EL Agreements when aggregated with the Previous Transactions would continue to constitute a major transaction for each of Lippo and HKC under Chapter 14 of the Listing Rules and would not result in a higher transaction classification. Given Lippo and HKC had complied with the major transaction requirements in respect of the Previous Transactions, the transactions contemplated under the EL Agreements would not be required to be reclassified by aggregating with the Previous Transactions.

DEFINITIONS

"Board"	board of directors;
"connected persons"	has the meaning ascribed to such term under the Listing Rules;
"EL Agreement 1"	the exchangeable loan agreement entered into between HKC Subsidiary and LAAPL Subsidiary 1 on 7 March 2016;
"EL Agreement 2"	the exchangeable loan agreement entered into between HKC Subsidiary and LAAPL Subsidiary 2 on 7 March 2016;
"EL Agreements"	the EL Agreement 1 and the EL Agreement 2;
"EL Exercise"	the exercise of the exchange rights under the EL Agreement 1 and/or the EL Agreement 2;

“Exchangeable Loans” and each an “Exchangeable Loan”	the exchangeable loans made or to be made by HKC Subsidiary as lender to each of LAAPL Subsidiaries as borrower, under the EL Agreement 1 and the EL Agreement 2 respectively;
“Hennessy”	Hennessy Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Lippo;
“Hennessy Undertaking”	the irrevocable undertaking issued by Hennessy on 7 March 2016 to the REIT Manager, the Trustee-Manager and the Joint Lead Managers and Underwriters in relation to the OUE H-Trust Rights Issue, pursuant to which amongst other things, it has, as existing holder of 17,000,000 stapled securities in OUE H-Trust, provided certain undertakings to, amongst other things, accept, subscribe and pay in full for, its provisional allotment of Rights Stapled Securities;
“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 approximate 65.84% indirect subsidiary of Lippo;
“HKC and LAAPL Subsidiaries Undertaking”	the irrevocable undertaking issued by HKC and LAAPL Subsidiaries on 7 March 2016 to the REIT Manager, the Trustee-Manager and the Joint Lead Managers and Underwriters in relation to the OUE H-Trust Rights Issue, pursuant to which, amongst other things: (1) HKC provided an undertaking to provide (directly or through procuring its wholly-owned subsidiary) sufficient funding to LAAPL Subsidiaries for the purposes of accepting, subscribing and paying in full their total provisional allotment of Rights Stapled Securities; and (2) LAAPL Subsidiaries provided an undertaking to, amongst other things, accept, subscribe and pay in full for, their respective provisional allotment of Rights Stapled Securities;
“HKC Group”	HKC and its subsidiaries;
“HKC Subsidiary”	Wonder Plan Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of HKC;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Joint Lead Managers and Underwriters”	BNP Paribas (acting through its Singapore Branch), DBS Bank Ltd. and Credit Suisse (Singapore) Limited, being the joint lead managers and underwriters in relation to the OUE H-Trust Rights Issue and third parties independent of each of Lippo and HKC and their respective connected persons;
“LAAPL”	Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands and a principal joint venture of HKC. Its issued share capital comprised of: (i) voting, non-participating class “A” shares of US\$1.00 each; (ii) non-voting, participating class “B” shares of US\$1.00 each; and (iii) non-voting, participating class “C” shares of US\$1.00 each. The HKC Group is interested in 50% of all the class “A” shares in issue and 100% of all the class “B” shares in issue which entitled the HKC Group to 50% of the voting rights and approximately 94.26% of the profit sharing of LAAPL;
“LAAPL Subsidiaries”	LAAPL Subsidiary 1 and LAAPL Subsidiary 2;
“LAAPL Subsidiary 1”	Golden Concord Asia Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect non-wholly owned subsidiary of LAAPL, a principal joint venture of HKC;
“LAAPL Subsidiary 2”	OUE Realty Pte. Ltd., a company incorporated in the Republic of Singapore with limited liability and a wholly-owned subsidiary of LAAPL Subsidiary 1;
“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 Group”	Lippo and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Management and Underwriting Agreement”	the management and underwriting agreement entered into between the Managers and the Joint Lead Managers and Underwriters on 7 March 2016 in relation to the OUE H-Trust Rights Issue;
“Managers”	the REIT Manager and the Trustee-Manager;
“OUE”	OUE Limited, a company incorporated in the Republic of Singapore with limited liability and its shares are listed on the Main Board of SGX-ST and a principal subsidiary of a joint venture of HKC;

“OUE H-BT”	OUE Hospitality Business Trust, a registered business trust under the Business Trusts Act, Chapter 31A of Singapore;
“OUE H-REIT”	OUE Hospitality Real Estate Investment Trust, an authorised collective investment scheme under the Securities and Futures Act, Chapter 289 of Singapore;
“OUE H-Trust”	OUE Hospitality Trust, a stapled group comprising of OUE H-REIT and the OUE H-BT;
“OUE H-Trust Rights Issue”	the proposed underwritten and renounceable rights issue of up to 441,901,257 Rights Stapled Securities of OUE H-Trust to eligible stapled securities holder on a pro rata basis of 33 Rights Stapled Securities for every 100 existing stapled security in OUE H-Trust held, as referred to in the OUE H-Trust announcement issued on the date of this announcement;
“REIT Manager”	OUE Hospitality REIT Management Pte. Ltd., the manager of OUE H-REIT;
“Rights Stapled Securities”	the new stapled securities in OUE H-Trust to be provisionally allotted and issued under and in accordance with the terms of the OUE H-Trust Rights Issue;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Total Rights Issue Commitments”	the aggregate commitments of (1) Hennessy under the Hennessy Undertaking and (2) the HKC Group under the HKC and LAAPL Subsidiaries Undertaking to be satisfied through the advancing of the Exchangeable Loans by HKC Subsidiary under the EL Agreements;
“Trustee-Manager”	OUE Hospitality Trust Management Pte. Ltd., the trustee-manager of OUE H-BT;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“S\$”	Singapore dollar, the lawful currency of the Republic of Singapore;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, conversion of S\$ into HK\$ in this announcement is based on the exchange rate of S\$1.00 to HK\$5.5354. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

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

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

Hong Kong, 7 March 2016

As at the date of this announcement, the board composition of each of Lippo and HKC is as follows:

Lippo

Executive Directors:

Dr. Stephen Riady (*Chairman*)
Mr. John Luen Wai Lee
(*Managing Director and*
Chief Executive Officer)

Non-executive Directors:

Mr. Jark Pui Lee
Mr. Leon Nim Leung Chan

Independent Non-executive Directors:

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

HKC

Executive Directors:

Dr. Stephen Riady (*Chairman*)
Mr. John Luen Wai Lee
(*Chief Executive Officer*)
Mr. Kee Yee Kor

Non-executive Director:

Mr. Leon Nim Leung Chan

Independent Non-executive Directors:

Mr. Albert Saychuan Cheok
Mr. Victor Ha Kuk Yung
Mr. King Fai Tsui

** For identification purpose only*