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HONGKONG CHINESE LIMITED

香港華人有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

**MAJOR TRANSACTION
AND
AMENDMENT OF TERMS OF PREVIOUS TRANSACTIONS**

* For identification purpose only

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DEFINITIONS

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

“Announcements”	the May Announcement, the August Announcement and the joint announcement issued by the Company and Lippo dated 30th November, 2015;
“August Announcement”	the joint announcement of the Company and Lippo dated 28th August, 2015;
“Board”	the board of Directors;
“close associates”	has the meaning ascribed to such term under the Listing Rules;
“Company”	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;
“connected persons”	has the meaning ascribed to such term under the Listing Rules;
“Directors”	directors of the Company;
“Further Loan”	the loan advanced by PLH to LAAPL Subsidiary in the aggregate amount of S\$100,000,000 (equivalent to approximately HK\$559,330,000) on and subject to the terms of the Further Loan Agreement, details of which are set out in the August Announcement;
“Further Loan Agreement”	the loan agreement entered into between PLH and LAAPL Subsidiary on 28th August, 2015 in respect of the Further Loan, details of which are set out in the August Announcement;
“Group”	the Company and its subsidiaries;
“Hennessy”	Hennessy Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Lippo and a substantial shareholder of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

* *For identification purpose only*

DEFINITIONS

“July 2016 Loan”	a loan advanced by PLH to LAAPL Subsidiary under the July 2016 Loan Agreement in the amount of approximately S\$14,959,000 (equivalent to approximately HK\$83,670,000) on 22nd July, 2016 which is unsecured and prior to the amendment of its terms as mentioned in the paragraph headed “Amendments to Previous Transactions” in this circular, bore interest at 6.5% per annum;
“July 2016 Loan Agreement”	the loan agreement entered into between PLH and LAAPL Subsidiary on 19th July, 2016 in respect of the July 2016 Loan;
“LAAPL”	Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands with limited liability and a principal joint venture of the Company and Lippo. Its issued share capital comprises of: (i) 800 voting, non-participating class “A” shares of US\$1.00 each; (ii) 200 non-voting, participating class “B” shares of US\$1.00 each; and (iii) 200 non-voting, participating class “C” shares of US\$1.00 each. The Group is interested in 50% of all the class “A” shares in issue and 100% of all the class “B” shares in issue which entitle the Group to 50% of the voting rights and approximately 94.26% of the profit sharing of LAAPL;
“LAAPL Group”	LAAPL and its subsidiaries (excluding OUE Limited and its subsidiaries);
“LAAPL Subsidiary”	Fortune Code Limited, a company incorporated in the British Virgin Islands with limited liability and a subsidiary of LAAPL which in turn is a principal joint venture of the Company and Lippo;
“Lanius”	Lanius Limited, a company incorporated in Hong Kong with limited liability;
“Latest Practicable Date”	21st November, 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“LCR”	Lippo China Resources Limited 力寶華潤有限公司, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange and an approximate 72.60% indirect subsidiary of Lippo;

DEFINITIONS

“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 and a substantial shareholder of Lippo;
“Lippo Group”	Lippo and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan advanced by PLH to LAAPL Subsidiary in the aggregate amount of approximately S\$53,920,839.43 (equivalent to approximately HK\$301,595,000) on and subject to the terms of the Loan Agreement, details of which are set out in the May Announcement and the August Announcement;
“Loan Agreement”	the loan agreement entered into between PLH and LAAPL Subsidiary on 29th May, 2015 in respect of the Loan, details of which are set out in the May Announcement and the August Announcement;
“May Announcement”	the joint announcement of Lippo and the Company dated 29th May, 2015;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules;
“October 2016 Loan”	a loan advanced by PSL to LAAPL Subsidiary under the October 2016 Loan Agreement;
“October 2016 Loan Agreement”	the loan agreement entered into between PSL and LAAPL Subsidiary on 20th October, 2016 in respect of the October 2016 Loan;
“October 2016 Loan Facility”	the loan facility to be provided by PSL to LAAPL Subsidiary in the maximum principal amount of S\$155,000,000 (equivalent to approximately HK\$866,962,000) on and subject to the terms of the October 2016 Loan Agreement;

DEFINITIONS

“PLH”	Pacific Landmark Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company which in turn is an approximate 65.84% indirect subsidiary of Lippo;
“Previous Transactions”	the July 2016 Loan and the transactions referred to in the Announcements;
“PRC”	the People’s Republic of China;
“PSL”	Polar Step Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company which in turn is an approximate 65.84% indirect subsidiary of Lippo;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Shareholders”	holders of the Shares;
“Shares”	ordinary shares of HK\$1.00 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“MOP”	Macau Patacas, the lawful currency of the Macao Special Administrative Region of the PRC;
“S\$”	Singapore dollars, the lawful currency of the Republic of Singapore;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

Notes:

- (1) For the purpose of illustration only and unless otherwise stated, conversion of S\$ into HK\$ in this circular is based on the exchange rate of S\$1.00 to HK\$5.5933. 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.
- (2) Certain English translations of Chinese names or words used in this circular are included for information purpose only and should not be relied upon as the official translation of such Chinese names or words.

LETTER FROM THE BOARD



HONGKONG CHINESE LIMITED

香港華人有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

Executive Directors:

Dr. Stephen Riady (*Chairman*)
Mr. John Lee Luen Wai, *BBS, JP*
(*Chief Executive Officer*)

Non-executive Director:

Mr. Leon Chan Nim Leung

Independent Non-executive Directors:

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

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal Place of Business:

24th Floor
Tower One
Lippo Centre
89 Queensway
Hong Kong

25th November, 2016

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
AND
AMENDMENT OF TERMS OF PREVIOUS TRANSACTIONS**

INTRODUCTION

Reference is made to the joint announcement of the Company and Lippo dated 20th October, 2016, in which the Directors announced that, PSL, an indirect wholly-owned subsidiary of the Company, entered into the October 2016 Loan Agreement with LAAPL Subsidiary, a subsidiary of LAAPL which is a principal joint venture of the Company and Lippo, pursuant to which PSL agreed to make available the October 2016 Loan Facility to LAAPL Subsidiary.

The purpose of this circular is to provide you with, among other things, information relating to the October 2016 Loan Agreement and the Group in accordance with the Listing Rules.

* *For identification purpose only*

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THE OCTOBER 2016 LOAN AGREEMENT

Summarised below are the key terms of the October 2016 Loan Agreement.

Date of the October 2016 Loan Agreement:	20th October, 2016
Lender:	PSL
Borrower:	LAAPL Subsidiary, a subsidiary of a principal joint venture of the Company and Lippo
Loan facility:	a loan facility in the principal amount of up to S\$155,000,000 (equivalent to approximately HK\$866,962,000)
Availability period:	the period commencing from 20th October, 2016 to 31st January, 2017 (both dates inclusive)
Drawdown of the loan facility:	The LAAPL Subsidiary may, within the availability period, utilise such part of the undrawn October 2016 Loan Facility by delivery of a written notice to PSL. The October 2016 Loan Facility may be drawn down by the LAAPL Subsidiary by no more than five times and the aggregate of the October 2016 Loan to be advanced by PSL to the LAAPL Subsidiary shall not exceed the maximum amount of the October 2016 Loan Facility.
Interest rate:	2.25% per annum
Repayment date:	repayable on demand
Security:	None

The October 2016 Loan will be used to repay part of the existing indebtedness of the LAAPL Group (including principal and interest) and/or for working capital of the LAAPL Group and interest shall continue to accrue on such principal at the above interest rate.

AMENDMENTS TO PREVIOUS TRANSACTIONS

On 20th October, 2016, PSL, as lender to the Loan Agreement, the Further Loan Agreement and the July 2016 Loan Agreement after PLH had assigned all the indebtedness under such agreements and all rights, interests, benefits and title therein to it, and LAAPL Subsidiary as borrower agreed to amend such agreements so that with respect to each of the Loan, the Further Loan and the July 2016 Loan, the repayment date as well as the interest rate going forward with effect from the date on which the October 2016 Loan Facility is first drawn by LAAPL Subsidiary under the October 2016 Loan Agreement shall be the same as those

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provided under the October 2016 Loan Agreement. Both PLH and PSL are indirect wholly-owned subsidiaries of the Company which in turn is an approximate 65.84% indirect subsidiary of Lippo.

INFORMATION ON LAAPL AND LAAPL SUBSIDIARY

LAAPL is a company incorporated in the Cayman Islands with limited liability and a principal joint venture of the Company. The issued share capital of LAAPL comprises of (i) 800 voting, non-participating class “A” shares of US\$1.00 each; (ii) 200 non-voting, participating class “B” shares of US\$1.00 each; and (iii) 200 non-voting, participating class “C” shares of US\$1.00 each. The Company, through an indirect wholly-owned subsidiary, is interested in 50% of all the class “A” shares in issue and 100% of all class “B” shares in issue which entitle the Company, through the indirect wholly-owned subsidiary, to 50% of the voting rights and approximately 94.26% of the profit sharing of LAAPL. LAAPL Subsidiary is a company incorporated in the British Virgin Islands and is owned as to approximately 92.05% by LAAPL. The principal business activity of each of LAAPL and LAAPL Subsidiary is investment holding. LAAPL Group has an aggregate interest of approximately 68.63% in OUE Limited, the shares of which are listed on Singapore Exchange Securities Trading Limited.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the other shareholder of LAAPL and the other shareholder of LAAPL Subsidiary (and their respective ultimate beneficial owners) are third parties independent of the Company and its connected persons.

INFORMATION ON THE COMPANY, LIPPO AND PSL

The principal business activity of the Company is investment holding. The principal activities of the subsidiaries, associates and joint ventures of the Company 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 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 businesses, property management, project management, mineral exploration and extraction, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

The principal business activity of PSL is investment holding. PLH is an indirect wholly-owned subsidiary of the Company which in turn is an approximate 65.84% indirect subsidiary of Lippo.

LETTER FROM THE BOARD

REASONS FOR ENTERING INTO THE OCTOBER 2016 LOAN AGREEMENT AND AMENDMENT OF TERMS OF PREVIOUS TRANSACTIONS

The interest rate and the repayment term of the October 2016 Loan reflect the prevailing commercial terms currently available in the lending market. Once it is drawn down, the relevant terms for similar loans due to all shareholders of the LAAPL Group will be adjusted and aligned, including the Loan, the Further Loan and the July 2016 Loan under the Previous Transactions (the “Amended Transactions”) advanced by the Group to the LAAPL Group which form part of these shareholders’ loans. In relation to the Amended Transactions, the interest rate will be amended from 6.5% per annum to 2.25% per annum and the repayment date will be amended from 19th October, 2017 to repayable on demand. As a result of these amendments, the Group’s indirect share of finance costs incurred by the LAAPL Group will be reduced and offset by the reduced income received from the Amended Transactions. The variation of terms is not expected to have overall material impact to either Lippo Group or the Group.

The LAAPL Group will directly and indirectly apply the proceeds of the October 2016 Loan to repay part of its indebtedness and/or for its general working capital purposes. After considering the funding need of the LAAPL Group, the interest rate of the October 2016 Loan and the commercial reasons for amending the terms of the Amended Transactions, the Board considers the terms of the October 2016 Loan and the amendment of the terms of the Amended Transactions to be fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The October 2016 Loan shall be financed through the Group’s internal resources and/or bank borrowings.

FINANCIAL EFFECTS OF THE OCTOBER 2016 LOAN

LAAPL Subsidiary is accounted for by the Company as a joint venture using equity method of accounting. The financial assistance by the Group to LAAPL Subsidiary under the October 2016 Loan Agreement will be recorded by the Company in its consolidated statement of financial position as amount due from a joint venture. The Group will accrue interest income from such financial assistance. It is expected that there is no material impact on the net asset value of the Group.

LISTING RULES IMPLICATION

One or more of the applicable percentage ratios under rule 14.07 of the Listing Rules in respect of the October 2016 Loan Facility, both on a standalone basis and after aggregating with the Previous Transactions exceed 25% but are less than 100% for the Company. Accordingly, the October 2016 Loan Facility, both on a standalone basis and after aggregating with the Previous Transactions, constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The applicable percentage ratios under rule 14.07 of the Listing Rules in respect of the July 2016 Loan on a standalone basis were less than 5% and when aggregated with the other Previous Transactions, remained between 25% and 100% and accordingly, no reclassification of the July 2016 Loan transaction was required at the time.

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 of the provision of the October 2016 Loan Facility has been obtained from Hennessy, being a substantial shareholder of the Company holding 1,315,707,842 Shares, representing approximately 65.84% of the Shares in issue at the Latest Practicable Date having the right to attend and vote at general meetings of the Company. Since none of the Shareholders are required to abstain from voting under the Listing Rules if the Company were to convene a general meeting to approve the October 2016 Loan Facility, and Hennessy has given a written approval in respect of the October 2016 Loan Facility, no general meeting of the Company will therefore be convened to approve the October 2016 Loan Facility, as permitted under rule 14.44 of the Listing Rules.

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
HONGKONG CHINESE LIMITED
John Lee Luen Wai
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 ended 31st March, 2014, 31st March, 2015 and 31st March, 2016 are disclosed in the annual reports of the Company for the financial years ended 31st March, 2014, 31st March, 2015 and 31st March, 2016 respectively. Details of these financial statements have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hkchinese.com.hk).

2. INDEBTEDNESS STATEMENT

Borrowings

As at 31st October, 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had no outstanding indebtedness. As at 31st October, 2016 certain bank deposits of the Group were pledged to secure bank overdraft facilities made available to the Group's securities broking operation. Such facilities had not been utilised as at 31st October, 2016. Apart from intra-group liabilities, the Group did not, as at 31st October, 2016, 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 October, 2016.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the internal resources available to the Group and the presently available banking facilities, 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

Stepping into the second quarter of the year 2016, the global financial markets continued to be volatile. The outlook of the global economy was still clouded with considerable uncertainties, including the extent and timing on increase of the U.S. interest rates, and the pace of economic growth in mainland China as well as the impact of geopolitical tension in various regions. United Kingdom's decision to leave the European Union has added a new element of uncertainty to the global economic and political climate. In mainland China, the expected trend of gradual devaluation of Renminbi continued to dampen investor confidence in the region. Hopefully, the prevailing low interest rates and surplus funds environment will be a compensatory positive influence to help maintaining investor confidence and create new

business opportunities. 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. Amid the volatile market conditions, the Group adopts a cautious and prudent approach in conducting its corporate finance and securities broking business. The Group will continue to be watchful of market developments and will manage its portfolio with a view to further improving overall asset quality.

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 Shares					
Stephen Riady	—	—	1,315,707,842 <i>Note(i)</i>	1,315,707,842	65.84
John Lee Luen Wai	2,000,270	270	—	2,000,540	0.10
Tsui King Fai	600,000	75,000	—	675,000	0.03
Number of ordinary shares in Lippo					
Stephen Riady	—	—	369,800,219 <i>Notes (i) and (ii)</i>	369,800,219	74.98
John Lee Luen Wai	1,031,250	—	—	1,031,250	0.21
Number of ordinary shares in LCR					
Stephen Riady	—	—	6,669,969,389 <i>Notes (i), (ii) and (iii)</i>	6,669,969,389	72.60

Note:

- (i) As at Latest Practicable Date, Lippo Capital, an associated corporation (within the meaning of Part XV of the SFO) of the Company, was indirectly interested in 1,315,707,842 Shares in, representing approximately 65.84% of the issued shares of, the Company. 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 Capital, and through its wholly-owned subsidiary, J & S Company Limited, was directly and indirectly interested in an aggregate of 369,800,219 ordinary shares in, representing approximately 74.98% of the issued shares of, Lippo.
- (iii) As at the Latest Practicable Date, Lippo was indirectly interested in an aggregate of 6,669,969,389 ordinary shares in, representing approximately 72.60% of the issued shares of, LCR.

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
Auric Pacific Group Limited	Ordinary shares	61,927,335	49.28
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
Gemdale Properties and Investment Corporation Limited	Ordinary shares	4,706,452,795	29.80
Grand Peak Investment Limited	Ordinary shares	2	100
Great Honor Investments Limited	Ordinary shares	1	100
Greenorth Holdings Limited	Ordinary shares	1	100
Hennessy	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

Name of associated corporation	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
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
Prime Success Limited	Ordinary shares	1	100
Skyscraper Realty Limited	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, 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 and Lippo. Mr. John Lee Luen Wai is also a director of each of Lippo, Prime Success Limited and Hennessy. Messrs. Leon Chan Nim Leung, Victor Yung Ha Kuk and Tsui King Fai 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
Hennessy	1,315,707,842	65.84
Prime Success Limited (“Prime Success”)	1,315,707,842	65.84
Lippo	1,315,707,842	65.84
Lippo Capital	1,315,707,842	65.84
Lanius	1,315,707,842	65.84
Dr. Mochtar Riady	1,315,707,842	65.84
Madam Lidya Suryawaty	1,315,707,842	65.84

Note (a):

- Hennessy, the immediate holding company of the Company, as beneficial owner, directly held 1,315,707,842 Shares in, representing approximately 65.84% of the issued shares of, the Company.
- Hennessy is wholly owned by Prime Success which in turn is wholly owned by Lippo.
- Lippo Capital, the holding company of Lippo, together with its wholly-owned subsidiary, J & S Company Limited, owns ordinary shares representing approximately 74.98% of the issued shares of Lippo.

4. 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 Lippo Capital under the provisions of the SFO.
5. Hennessy's interests in the Shares were recorded as the interests of Prime Success, Lippo, Lippo Capital, Lanius, Dr. Mochtar Riady and Madam Lidya Suryawaty. The above 1,315,707,842 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. Dr. Mochtar Riady, his wife Madam Lidya Suryawaty and Dr. Stephen Riady were taken to be interested in the Shares under the provisions of the SFO.

(b) Kingtek Limited

Name	Number of ordinary shares of US\$1.00 each	Percentage
Masuda Limited ("Masuda")	60	60
Mezquita Incorporated	40	40

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

(c) 北京力寶世紀置業有限公司 (Beijing Lippo Century Realty Co., Ltd.)

Name	Amount of paid up registered capital	Percentage of profit sharing
Uchida Limited ("Uchida")	US\$14,400,000	64
Wealtop Limited ("Wealtop")	US\$3,600,000	16
北京經濟技術投資開發總公司 (Beijing Economic & Technological Investment Development Corp.)	N/A	20

Note (c): Uchida and Wealtop are both wholly-owned subsidiaries of the Company. See also (a) above in respect of the substantial shareholders of the Company.

(d) The Macau Chinese Bank Limited

Name	Number of ordinary shares of MOP100 each	Percentage
Winwise Holdings Limited (“Winwise”)	1,326,000	51
南粵(集團)有限公司 (Nam Yue (Group) Company Limited)	1,040,000	40

Note (d): Winwise 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 CLOSE ASSOCIATES

The Lippo Group (a general reference to the companies in which Dr. Stephen Riady and his family members have a direct or indirect interest) is not a legal entity and does not operate as one. Each of the companies in the Lippo Group operates within its own legal, corporate and financial framework. As at the Latest Practicable Date, the Lippo Group might have had or developed interests in business in Hong Kong and other parts in Asia similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

Dr. Stephen Riady and Messrs. John Lee Luen Wai, Leon Chan Nim Leung, Victor Yung Ha Kuk and Tsui King Fai are also directors of Lippo, an intermediate holding company of the Company, and LCR, a fellow subsidiary of the Company. Further details of the Directors’ interests in Lippo and LCR 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 LCR 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 Bye-laws and the Listing Rules whenever a Director has any conflict of interest in the transaction(s) with the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates were considered to have interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

6. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

None of the Directors was materially interested in any contract or arrangement which was entered into by any member of the Group and subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

As at the Latest Practicable Date, 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, 2016, 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) (i) the Loan Agreement; and
- (ii) an application letter dated 29th May, 2015 made by PLH to LAAPL for subscription of additional shares in LAAPL for a consideration of S\$23,426,145;

- (b) (i) a sale and purchase agreement dated 26th June, 2015 entered into between Winwise Holdings Limited (“Winwise”), Winpec Holdings Limited and Discovery Planet Limited, all being wholly-owned subsidiaries of the Company, as vendors and 南粵(集團)有限公司 (Nam Yue (Group) Company Limited or Grupo de Gestão Participações Nam Yue, Limitada) (“Nam Yue”) as purchaser in respect of the sale and purchase of 1,040,000 shares of MOP100 each in, representing 40% of, the issued shares of The Macau Chinese Bank Limited (“MCB”), a then wholly-owned subsidiary of the Company, for a consideration of MOP360 million;
- (ii) a sale and purchase agreement dated 26th June, 2015 entered into between Winwise as vendor and Mr. Yang Jun as purchaser in respect of the sale and purchase of 234,000 shares of MOP100 each in, representing 9% of, the issued shares of MCB, for a consideration of MOP81 million; and
- (iii) a shareholders’ agreement dated 27th July, 2015 entered into between Winwise, Nam Yue, Mr. Yang Jun and MCB to, among other things, regulate the relationships between shareholders of MCB;
- (c) the Further Loan Agreement;
- (d) (i) a sale and purchase agreement dated 28th October, 2015 entered into between Winwise as vendor and Nam Yue as purchaser in respect of the sale and purchase of 416,000 shares of MOP100 each in, representing 16% of, the issued shares of MCB, for a consideration of MOP144 million; and
- (ii) a sale and purchase agreement dated 28th October, 2015 entered into between Winwise as vendor and Mr. Wong Garrick Jorge Kar Ho as purchaser in respect of the sale and purchase of 390,000 shares of MOP100 each in, representing 15% of, the issued shares of MCB, for a consideration of MOP135 million;
- (e) a loan agreement dated 30th November, 2015 entered into between PLH as lender and LAAPL Subsidiary as borrower for a loan facility in the principal amount of S\$38,000,000;
- (f) an irrevocable undertaking issued by the Company and Golden Concord Asia Limited (“Golden Concord”, a non-wholly owned subsidiary of LAAPL) and OUE Realty Pte. Ltd. (“OUE Realty”, a wholly-owned subsidiary of Golden Concord) on 7th March, 2016 to OUE Hospitality REIT Management Pte. Ltd. (the manager of OUE Hospitality Real Estate Investment Trust (“OUE H-REIT”)), OUE Hospitality Trust Management Pte. Ltd. (the trustee-manager of OUE Hospitality Business Trust (“OUE H-BT”)) and the joint lead managers and underwriters in relation to the OUE H-Trust Rights Issue (as defined hereinbelow), pursuant to which, amongst other things, the Company agreed that it or its wholly-owned subsidiary shall provide sufficient funding to Golden Concord and OUE Realty to enable them to take up their respective entitlements to new stapled securities (the “Rights Stapled Securities”) in OUE Hospitality Trust (“OUE H-Trust”, a stapled group listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) comprising of OUE

H-REIT and OUE H-BT) under the underwritten and renounceable rights issue of up to 441,901,257 new stapled securities in OUE H-Trust to eligible stapled securities holder on a pro rata basis of 33 rights stapled securities for every 100 existing stapled securities in OUE H-Trust held (the “OUE H-Trust Rights Issue”) and, in order to provide such funding, Wonder Plan Holdings Limited (“Wonder Plan”, an indirect wholly-owned subsidiary of the Company) as lender entered into an exchangeable loan agreement on 7th March, 2016 with each of Golden Concord and OUE Realty as borrower (the “EL Agreements”) for making available the exchangeable loans in the principal amount of approximately S\$3.5 million and S\$14.9 million respectively (the “EL Loans”). On 20th April, 2016, each of Golden Concord and OUE Realty had delivered an exchange notice to Wonder Plan exercising their exchange right under each of the EL Agreements to exchange the aggregate principal amount of the EL Loans in full into all the Rights Stapled Securities taken by them under the OUE H-Trust Rights Issue;

- (g) on 2nd September, 2016, Wonder Plan disposed of its holding of 6,286,820 units in OUE H-Trust and 9,381,500 units in OUE Commercial Real Estate Investment Trust, a real estate investment trust listed on SGX-ST, through married trade to an independent third party for an aggregate consideration of approximately S\$4,089,000 and approximately S\$6,143,000 respectively and on the same date, Wonder Plan also disposed of its holding of 23,247,824 units in OUE H-Trust through married trade to another independent third party for an aggregate consideration of approximately S\$15,142,000; and
- (h) the October 2016 Loan Agreement.

9. MISCELLANEOUS

- (a) The Secretary of the Company is Mr. Andrew Hau Tat Kwong, 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 Clarendon House, Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company is situated at 24th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.
- (c) The principal transfer office of the Company is situated at the office of its principal share registrar, Butterfield Fulcrum Group (Bermuda) Limited, at Rosebank Centre, 11 Bermudiana Road, Pembroke HM 08, Bermuda and the Hong Kong branch transfer office of the Company is situated at the office of its Hong Kong branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturday and public holiday excluded) at the principal place of business of the Company which is situated at 24th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong for 14 days from the date of this circular:

- (a) the Memorandum of Association and Bye-laws of the Company;
- (b) copies of the material contracts referred to under the paragraph headed “Material contracts” in this appendix;
- (c) the published audited consolidated financial statements of the Company for each of the two financial years ended 31st March, 2016;
- (d) this circular; and
- (e) the October 2016 Loan Agreement.

11. LANGUAGE

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