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**LL CAPITAL HOLDINGS  
LIMITED**

*(Incorporated in British Virgin Islands  
with limited liability)*



**LIPPO LIMITED**

力寶有限公司

*(Incorporated in Hong Kong with limited  
liability)*

**(Stock Code: 226)**

**JOINT ANNOUNCEMENT**

- (1) PROPOSED PRIVATISATION OF  
LIPPO LIMITED  
BY LL CAPITAL HOLDINGS LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 673 OF THE COMPANIES ORDINANCE  
(2) PROPOSED CONDITIONAL SPECIAL DISTRIBUTION  
BY WAY OF DISTRIBUTION IN SPECIE BY LIPPO LIMITED OF  
ORDINARY SHARES IN LIPPO CHINA RESOURCES LIMITED  
(3) PROPOSED WITHDRAWAL OF LISTING OF  
LIPPO LIMITED  
(4) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE  
(5) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER  
AND  
(6) RESUMPTION OF TRADING**

**Financial Adviser to the Offeror**



**Independent Financial Adviser to the Independent Board Committee**



## **INTRODUCTION**

The Offeror and the Company jointly announce that on 16 May 2025, the Offeror requested the Board to put forward to the Shareholders the Proposal which comprises:

- (a) the privatisation of the Company by way of a scheme of arrangement under Section 673 of the Companies Ordinance in consideration of the Scheme Consideration of HK\$0.14 per Scheme Share, which will be payable by the Offeror to Scheme Shareholders in cash; and
- (b) conditional upon the satisfaction of the Distribution Conditions, a special distribution by the Company by way of a distribution in-specie of up to 303,289,730 LCR Shares, representing approximately 33.01% of the total issued LCR Shares, currently held by Skyscraper, a wholly-owned subsidiary of the Company, to Shareholders whose names appear on the register of members of the Company on the Scheme Record Date. Shareholders will be able to receive their entitlements under the Distribution either in scrip form or in cash form.

Upon completion of the Proposal, the Company will make an application for the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange immediately following the Effective Date.

## **TERMS OF THE PROPOSAL**

Under the Proposal, subject to the Scheme becoming binding and effective in accordance with its terms, each of the Scheme Shares will be cancelled in exchange for the Scheme Consideration. Upon such cancellation, the issued share capital of the Company will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of Shares as the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror.

The Scheme Consideration is a cash amount of HK\$0.14 per Scheme Share.

Under the Proposal, conditional upon the Distribution Conditions being satisfied, the Company will make the Distribution to be effected by way of a distribution in-specie of the Distributable LCR Shares to Shareholders whose names appear on the register of members of the Company on the Scheme Record Date.

Shareholders, through an election mechanism, will be able to receive their entitlements under the Distribution either:

- in scrip form, through receipt of 615 LCR Shares for every 1,000 Shares held by the Shareholder, rounded down to the nearest whole number; or
- in cash form, an amount of HK\$0.564 per Share.

## **CONDITIONS TO THE PROPOSAL**

The Proposal (including the Scheme and the Distribution) will become effective and binding on the Company and all Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions as described in the section headed “3. Conditions to the Proposal” of this joint announcement on or before the Long Stop Date, failing which the Proposal (including the Scheme and the Distribution) will lapse.

## **CONFIRMATION OF FINANCIAL RESOURCES**

On the basis of the Scheme Consideration of HK\$0.14 per Scheme Share and there being 123,353,813 Scheme Shares in issue as at the date of this joint announcement, the aggregate Scheme Consideration payable by the Offeror is approximately HK\$17.27 million. The Offeror intends to finance the cash consideration payable under the Scheme Consideration in full by its internal resources.

Assuming all the Scheme Shareholders elect for the Cash Alternative and Lippo Capital elects for the Scrip Alternative, on the basis of the Cash Alternative Amount of HK\$0.564 per Share and there being 123,353,813 Scheme Shares in issue as at the date of this joint announcement, the maximum Cash Alternative Amount payable by the Company is approximately HK\$69.57 million. The Company intends to finance the amount payable under the Cash Alternative in full by its internal resources including new bank borrowings.

The Financial Adviser is satisfied that sufficient financial resources are available to the Offeror and the Company (as the case may be) to satisfy in full the payment obligations in respect of the Scheme Consideration payable by the Offeror and the cash amount under the Distribution payable by the Company respectively under the Proposal.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising all the non-executive Directors, namely, Mr. Jark Pui Lee, Mr. Leon Nim Leung Chan, Mr. King Fai Tsui, Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh, has been established by the Board to make recommendations to the Disinterested Shareholders as to: (i) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the General Meeting.

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal (including the Scheme and the Distribution). Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice of the Independent Financial Adviser to the Independent Board Committee in connection with the Proposal and the Scheme will be included in the Scheme Document to be despatched jointly by the Company and the Offeror to the Shareholders.

## **DESPATCH OF THE SCHEME DOCUMENT**

The Scheme Document containing, among other things: (a) further details of the Proposal (including the Scheme and the Distribution); (b) an explanatory statement in respect of the Scheme as required under the Companies Ordinance; (c) the expected timetable relating to the Proposal (including the Scheme and the Distribution); (d) a letter from the Independent Board Committee containing its recommendations to the Disinterested Shareholders in respect of the Proposal (including the Scheme and the Distribution); (e) a letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal (including the Scheme and the Distribution); (f) an assurance report from the independent reporting accountants on the compilation of pro forma financial information; and (g) notices of the Court Meeting and the General Meeting (including proxy forms relating to such meetings for use by the relevant Shareholders), will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and Applicable Laws.

## **WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application to the Hong Kong Stock Exchange for the withdrawal of the listing of the Shares on main board of the Hong Kong Stock Exchange in accordance with the Listing Rules immediately following the Effective Date.

## **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

Subject to the requirements of the Takeovers Code, the Proposal (including the Scheme and the Distribution) will lapse if any of the Conditions has not been fulfilled or (where applicable) waived on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on main board of the Hong Kong Stock Exchange will not be withdrawn.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Hong Kong Stock Exchange was halted from 9:00 a.m. on 19 May 2025 pending the issuance of this joint announcement. An application has been made by the Company to the Hong Kong Stock Exchange for the resumption of trading in the Shares on the Hong Kong Stock Exchange with effect from 9:00 a.m. on 29 May 2025.

## **WARNINGS**

*Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and/or potential investors should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.*

*This joint announcement is not intended to and does not constitute any offer or invitation to purchase or subscribe for any shares of the Company, LCR or the Offeror or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of Shares in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal should be made only on the basis of information in the Scheme Document.*

*The availability of the Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or resident or of which they are citizens. Such Scheme Shareholders should inform themselves about, and observe, any applicable legal, regulatory or tax requirements in their respective jurisdictions and, where necessary, seek their own legal advice. Further information in relation to overseas Shareholders will be contained in the Scheme Document.*

## **NOTICE TO U.S. INVESTORS**

*The Proposal and the Scheme relate to the cancellation of the shares of a company incorporated under the laws of Hong Kong by way of a scheme of arrangement provided for under the Companies Ordinance. The Proposal and the Scheme are subject to Hong Kong procedural disclosure requirements and practices which are different from those of the United States.*

*A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules of the United States Securities Exchange Act of 1934. Accordingly, the Proposal and the Scheme are subject to the procedural and disclosure requirements and practices applicable in Hong Kong to schemes of arrangement and securities offer, which differ from the disclosure and procedural and practice requirements applicable under United States federal securities laws.*

*The receipt of cash and LCR Shares pursuant to the Proposal or the Scheme by a U.S. holder of the Scheme Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of the Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal and the Scheme applicable to him/her/it.*

*It may be difficult for a U.S. holder of the Scheme Shares to enforce his/her/its rights and claims arising out of the U.S. federal securities laws, as the Offeror and the Company are incorporated in a country other than the United States, and some or all of their respective officers and directors may be residents of a country other than the United States. A U.S. holder of the Scheme Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, a U.S. holder of the Scheme Shares may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.*

*Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved the Proposal or the Scheme, or determined if this joint announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.*

*This joint announcement is not intended to, and does not, constitute, or form part of, an offer or invitation to purchase or subscribe for any Shares in the United States.*

*Financial information disclosed in respect of the Proposal and the Scheme has been or will have been prepared in accordance with non-U.S. accounting standards that may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

## **FORWARD-LOOKING STATEMENTS**

*This joint announcement may include forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "envisages", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Offeror's, the Company's, LCR's or their respective affiliates' intentions, beliefs or current expectations. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those made in or suggested by the forward-looking statements contained in this joint announcement, and may not be indicative of results or developments in subsequent periods. The forward-looking statements and information contained in this joint announcement are made as of the date hereof and each of the Offeror and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Takeovers Code.*

## 1. INTRODUCTION

The Offeror and the Company jointly announce that on 16 May 2025, the Offeror requested the Board to put forward to the Shareholders the Proposal which comprises:

- (a) the privatisation of the Company by way of a scheme of arrangement under Section 673 of the Companies Ordinance in consideration of the Scheme Consideration of HK\$0.14 per Scheme Share, which will be payable by the Offeror to Scheme Shareholders in cash (the “**Scheme**”); and
- (b) conditional upon the satisfaction of the Distribution Conditions, a special distribution by the Company by way of a distribution in-specie of up to 303,289,730 LCR Shares, representing approximately 33.01% of the total issued LCR Shares (the “**Distributable LCR Shares**”) currently held by Skyscraper, a wholly-owned subsidiary of the Company, to Shareholders whose names appear on the register of members of the Company on the Scheme Record Date (the “**Distribution**”). Shareholders will be able to receive their entitlements under the Distribution either in scrip form or in cash form (but not a combination of both).

Upon completion of the Proposal, the Offeror will own approximately 25.02% of the Shares and Lippo Capital will own approximately 74.98% of the Shares. The Offeror and Lippo Capital will collectively own 100% of the Shares. The Company will make an application for the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange immediately following the Effective Date.

The Offeror has appointed BOCI Asia Limited as its financial adviser in connection with the Proposal.

The Independent Board Committee, comprising all the non-executive Directors, namely, Mr. Jark Pui Lee, Mr. Leon Nim Leung Chan, Mr. King Fai Tsui, Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh, has been established by the Board to make recommendations to the Disinterested Shareholders as to: (i) whether the terms of the Proposal (including the Scheme and the Distribution) are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the General Meeting.

The Independent Board Committee has approved the appointment of Somerley Capital Limited as its Independent Financial Adviser in connection with the Proposal.

## 2. TERMS OF THE PROPOSAL

### The Scheme

Under the Proposal, subject to the Scheme becoming binding and effective in accordance with its terms, each of the Scheme Shares will be cancelled in exchange for the Scheme Consideration. Upon such cancellation, the issued share capital of the Company will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of Shares as the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror.

The Scheme Consideration is a cash amount of HK\$0.14 per Scheme Share.

### The Distribution

Under the Proposal, conditional upon the Distribution Conditions being satisfied, the Company will make the Distribution to be effected by way of a distribution in-specie of the Distributable LCR Shares to Shareholders whose names appear on the register of members of the Company on the Scheme Record Date.

The Board, recognising that the Distribution is an integral part of the Proposal, has, as at the date of this joint announcement, agreed to declare the conditional special distribution in-specie under the Distribution, subject to the Distribution Conditions being satisfied.

Conditional upon the satisfaction of the Distribution Conditions, through an election mechanism, Shareholders will be able to receive their entitlements under the Distribution either (but not a combination of both):

- in scrip form (the “**Scrip Alternative**”), through receipt of 615 LCR Shares for every 1,000 Shares held by the Shareholder, rounded down to the nearest whole number; or
- in cash form (the “**Cash Alternative**”), an amount of HK\$0.564 per Share.

The Cash Alternative Amount is determined by multiplying the VWAP per LCR Share for the last 3 months ended on the Last Trading Date of HK\$0.9167 by the ratio of the Scrip Alternative of 615 LCR Shares for every 1,000 Shares.

Each Shareholder will only be entitled to irrevocably elect to receive either the Cash Alternative or the Scrip Alternative (but not a combination of both) for all of his, her or its Shares. Lippo Capital has confirmed that it will elect to receive the Scrip Alternative under the Distribution in respect of all of its Shares.

Shareholders will be able to make an irrevocable election by submitting a duly completed and signed election form to the Company during a prescribed submission window. This prescribed submission window will open immediately after the Scheme Document is despatched to Shareholders and will close prior to the Scheme becoming binding and effective on a date as stated in the Scheme Document and in accordance with its terms.



Any Shareholder who has not submitted a duly completed and signed election form by the end of the prescribed submission window detailed in the Scheme Document (or who has sold his, her or its Shares after submitting a duly completed and signed election form where the purchasing Shareholder has not submitted a new signed election form by the end of that prescribed submission window) will be deemed to have elected to receive the Cash Alternative in respect of all of his, her or its Shares. Further details of these election arrangements will be disclosed in the Scheme Document.

The Distribution is subject to the Distribution Conditions having been satisfied and payment of the Scrip Alternative Shares and the Cash Alternative Amount (as applicable) will be made on or around the date that the Scheme Consideration is paid to the Scheme Shareholders and in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date.

The Company will direct Skyscraper to transfer the Distributable LCR Shares to the Shareholders who have elected to receive the Scrip Alternative.

The Scrip Alternative Shares are fully-paid and will be distributed free from any encumbrances. The maximum number of the Distributable LCR Shares under the Distribution shall be 303,289,730 LCR Shares, representing approximately 33.01% of the total issued shares of LCR as at the date of this joint announcement.

All taxes or stamp duty in respect of the transfer of the Scrip Alternative Shares shall be borne by the Company except for those taxes (including but not limited to income tax and capital gain tax) which are to be borne by Shareholders in compliance with Applicable Laws.

The number of the LCR Shares for those Shareholders who opt for the Scrip Alternative will be rounded down to the nearest whole number. Fractions of LCR Shares will not be distributed to such Shareholders but will be aggregated and disposed of by the Company for its own benefit.

The Distribution is declared out of the distributable reserves of the Company, which are distinctive to and not part of the Scheme Consideration that would be payable by the Offeror. If the relevant resolutions regarding the Proposal (including the Scheme) are not approved by the Disinterested Shareholders and/or the Shareholders (as the case may be) in the Court Meeting and/or the General Meeting, no Distribution will be paid to the Shareholders. In such event, the Board will continue to adhere to its existing dividend policy while regularly reviewing the dividend policy and make necessary amendments and/or modifications to such policy if and when necessary or appropriate.

Assuming all the Scheme Shareholders elect for the Cash Alternative and Lippo Capital elects for the Scrip Alternative, on the basis of the Cash Alternative Amount of HK\$0.564 per Share and there being 123,353,813 Scheme Shares in issue as at the date of this joint announcement, the maximum Cash Alternative Amount payable by the Company is approximately HK\$69.57 million. The Company intends to finance the amount payable under the Cash Alternative in full by its internal resources including new bank borrowings.

The Scheme Document, which will be despatched to Shareholders in due course, will contain further details of the Distribution, including the arrangements regarding the entitlements to the Distribution, the election mechanism, fractional entitlements and overseas Shareholders' entitlements, the arrangements for the Scrip Alternative and the Cash Alternative and the expected timetable of the Distribution.

### **The Scheme Consideration and the entitlement under the Distribution**

Under the Proposal, the Scheme Shareholders will be able to receive the Scheme Consideration together with their entitlements under the Distribution. The Scheme Shareholders can irrevocably elect whether to receive their entitlements under the Distribution either in scrip form (as Scrip Alternative Shares) or in cash (as the Cash Alternative Amount) (but not a combination of both).

Those Scheme Shareholders electing to receive the Cash Alternative will be entitled to receive the Total Cash Entitlement of HK\$0.704 per Share in cash comprising:

- (a) the Scheme Consideration (under the Scheme) of HK\$0.14 per Scheme Share to be paid by the Offeror; and
- (b) the Cash Alternative Amount (under the Distribution) of HK\$0.564 per Share to be paid by the Company as further detailed in the section headed "2. Terms of the Proposal - The Distribution", rounded down to the nearest two decimal places.

Those Scheme Shareholders electing to receive the Scrip Alternative will be entitled to receive:

- (a) the Scheme Consideration (under the Scheme) of HK\$0.14 per Scheme Share in cash to be paid by the Offeror; and
- (b) the Scrip Alternative Shares (under the Distribution) of 615 LCR Shares for every 1,000 Shares held by the Scheme Shareholders, rounded down to the nearest whole number.

The amount of the Scheme Consideration, being the cash amount of HK\$0.14 per Scheme Share which each Scheme Shareholder will receive for the cancellation of its Scheme Shares under the Scheme, will be the same regardless of whether a Scheme Shareholder elects to receive the Cash Alternative Amount or the Scrip Alternative Shares. If a Shareholder elects to receive the Cash Alternative, the amount of the Cash Alternative Amount is fixed at HK\$0.564 per Share, whereas if a Shareholder elects to receive the Scrip Alternative, the value of the Scrip Alternative Shares shall change depending on the trading price of the LCR Shares at the time of the payment of the Distribution.

Based on the closing price of HK\$0.460 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date, the implied value of each LCR Share amounted to HK\$0.5203 per LCR Share (which is calculated based on such closing price of HK\$0.460 less the Scheme Consideration and such difference divided by the ratio of 0.615), and:

- (a) the closing price of HK\$0.820 per LCR Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date represents a premium of approximately 57.60% over such implied value of each LCR Share;
- (b) the average closing price of approximately HK\$0.792 per LCR Share as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Trading Date represents a premium of approximately 52.22% over such implied value of each LCR Share;
- (c) the average closing price of approximately HK\$0.782 per LCR Share as quoted on the Hong Kong Stock Exchange for the 10 trading days up to and including the Last Trading Date represents a premium of approximately 50.30% over such implied value of each LCR Share;
- (d) the average closing price of approximately HK\$0.801 per LCR Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Date represents a premium of approximately 54.01% over such implied value of each LCR Share;
- (e) the average closing price of approximately HK\$0.849 per LCR Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Date represents a premium of approximately 63.24% over such implied value of each LCR Share;
- (f) the average closing price of approximately HK\$0.815 per LCR Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date represents a premium of approximately 56.70% over such implied value of each LCR Share;
- (g) the average closing price of approximately HK\$0.778 per LCR Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date represents a premium of approximately 49.56% over such implied value of each LCR Share; and
- (h) the consolidated NAV per LCR Share attributable to shareholders of LCR of approximately HK\$1.934 as at 31 December 2024 by reference to the audited consolidated financial statements of LCR for the year ended 31 December 2024 represents a premium of approximately 271.72% over such implied value of each LCR Share.

**As the Distribution is conditional on the satisfaction of the Distribution Conditions, which includes the Scheme becoming binding and effective in accordance with its terms and conditions, upon the Scheme becoming binding and effective in accordance with its terms and conditions and assuming that the other Distribution Condition has been satisfied, the Company will be legally bound to and will pay the Scrip Alternative Shares and the Cash Alternative Amount (as applicable) at or around the date that the Scheme Consideration is paid to the Scheme Shareholders and in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date. Accordingly, each Scheme Shareholder will receive (i) the Scheme Consideration under the Scheme; and (ii) the Scrip Alternative Shares or the Cash Alternative Amount (as elected by the Scheme Shareholder) under the Distribution, and there will not be a situation where the Scheme Shareholders will only receive one but not the other.**

The Scheme Consideration will be funded by the Offeror whereas the Cash Alternative Amount will be funded by the Company.

**The Offeror will not increase the Scheme Consideration and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Scheme Consideration. The Offeror will not request the Company to change the Distribution ratio of 615 LCR Shares to each 1,000 Shares held as at the Scheme Record Date.**

#### **Comparison of value of the Cash Alternative**

The Total Cash Entitlement of HK\$0.704 represents:

- (a) a premium of approximately 53.04% over the closing price of HK\$0.460 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 52.05% over the average closing price of approximately HK\$0.463 per Share as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Trading Date;
- (c) a premium of approximately 62.96% over the average closing price of approximately HK\$0.432 per Share as quoted on the Hong Kong Stock Exchange for the 10 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 71.22% over the average closing price of approximately HK\$0.411 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 70.80% over the average closing price of approximately HK\$0.412 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 64.16% over the average closing price of approximately HK\$0.429<sup>#</sup> per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;

- (g) a premium of approximately 79.04% over the average closing price of approximately HK\$0.393<sup>#</sup> per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date;
- (h) a discount of approximately 56.89% to the Adjusted NAV prior to the Distribution per Share of approximately HK\$1.633 as at 31 December 2024<sup>1</sup>, which is below the discount of approximately 71.83% compared to such NAV per Share when based on the closing price of HK\$0.460 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date; and
- (i) a discount of approximately 95.03% to the consolidated NAV per Share attributable to Shareholders of approximately HK\$14.158 as at 31 December 2024 by reference to the audited consolidated financial statements of the Company for the year ended 31 December 2024.

Further, the attributable net asset backing per Share of the Distributable LCR Shares as at 31 December 2024 of HK\$1.139 per Share (by reference to the unaudited pro forma statement of adjusted consolidated net asset value attributable to Shareholders as at 31 December 2024) plus the Scheme Consideration represents a discount of approximately 21.66% to the Adjusted NAV prior to the Distribution per Share of HK\$1.633 as at 31 December 2024<sup>1</sup>.

As the Distribution will be made upon the Scheme becoming binding and effective, the following comparisons compare the Scheme Consideration against the market price of a Share less the market value of the Distribution based on the Cash Alternative Amount of HK\$0.564 (the “**Ex-Distribution Adjusted Closing Price**”). The Scheme Consideration of HK\$0.14 represents:

- (a) a premium of approximately HK\$0.244 over the Ex-Distribution Adjusted Closing Price as quoted on the Hong Kong Stock Exchange on the Last Trading Date of negative HK\$0.104 per Share;
- (b) a premium of approximately HK\$0.241 over the average Ex-Distribution Adjusted Closing Price as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Trading Date of negative HK\$0.101 per Share;
- (c) a premium of approximately HK\$0.272 over the average Ex-Distribution Adjusted Closing Price as quoted on the Hong Kong Stock Exchange for the 10 trading days up to and including the Last Trading Date of negative HK\$0.132 per Share;
- (d) a premium of approximately HK\$0.293 over the average Ex-Distribution Adjusted Closing Price as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Date of negative HK\$0.153 per Share;
- (e) a premium of approximately HK\$0.292 over the average Ex-Distribution Adjusted Closing Price as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Date of negative HK\$0.152 per Share;

- (f) a premium of approximately HK\$0.275 over the average Ex-Distribution Adjusted Closing Price quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date of negative HK\$0.135<sup>#</sup> per Share;
- (g) a premium of approximately HK\$0.311 over the average Ex-Distribution Adjusted Closing Price as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date of negative HK\$0.171<sup>#</sup> per Share; and
- (h) a discount of approximately 71.66% to the Adjusted NAV after the Distribution per Share of approximately HK\$0.494 as at 31 December 2024<sup>1</sup>, assuming all Scheme Shareholders select Scrip Alternative.

### **Comparison of value of the Scrip Alternative**

Based on the closing price of HK\$0.820 per LCR Share as quoted on the Stock Exchange on the Last Trading Date and on the basis that a Scheme Shareholder elects the Scrip Alternative, the value of the total entitlement under the Proposal amounts to HK\$0.6443 per LCR Share (which is calculated based on such closing price of HK\$0.820 per LCR Share multiplied by the ratio of 0.615 and plus the Scheme Consideration), and which represents:

- (a) a premium of approximately 40.07% over the closing price of HK\$0.460 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 39.16% over the average closing price of approximately HK\$0.463 per Share as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Trading Date;
- (c) a premium of approximately 49.14% over the average closing price of approximately HK\$0.432 per Share as quoted on the Hong Kong Stock Exchange for the 10 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 56.70% over the average closing price of approximately HK\$0.411 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 56.32% over the average closing price of approximately HK\$0.412 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 50.24% over the average closing price of approximately HK\$0.429<sup>#</sup> per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 63.85% over the average closing price of approximately HK\$0.393<sup>#</sup> per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date;

- (h) a discount of approximately 60.55% to the Adjusted NAV prior to the Distribution per Share of approximately HK\$1.633 as at 31 December 2024<sup>1</sup>; and
- (i) a discount of approximately 95.45% to the consolidated NAV per Share attributable to Shareholders of approximately HK\$14.158 as at 31 December 2024 by reference to the audited consolidated financial statements of the Company for the year ended 31 December 2024.

**Notes:**

<sup>1</sup> The calculation of the Adjusted NAV prior to the Distribution and the Adjusted NAV after the Distribution have been prepared in accordance with rule 4.29 of the Listing Rules on the basis set out in the notes below as if the HKC Share Distribution and the Distribution had been completed on 31 December 2024.

The unaudited pro forma statement of the adjusted consolidated net asset value attributable to Shareholders as at 31 December 2024 has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not provide a true picture of the financial position of the Group had the HKC Share Distribution and the Distribution been completed on 31 December 2024 or at any future date.

*Unaudited pro forma statement of adjusted consolidated net asset value attributable to Shareholders as at 31 December 2024*

Audited consolidated NAV attributable to Shareholders as at 31 December 2024	Pro forma adjustments		Unaudited pro forma Adjusted NAV prior to the Distribution	Pro forma adjustment	Unaudited pro forma Adjusted NAV after the Distribution
HK\$' million (Note 1)	HK\$' million (Note 2)	HK\$' million (Note 3)	HK\$' million	HK\$' million (Note 4)	HK\$' million
6,982	(6,161)	(16)	805	(562)	243
Unaudited pro forma adjusted consolidated net asset value attributable to Shareholders per Share (Note 5)					
HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
14.158	(12.493)	(0.032)	1.633	(1.139)	0.494

**Notes:**

1. The audited consolidated NAV attributable to Shareholders as at 31 December 2024 is extracted from the audited consolidated statement of financial position of the Company as included in its published annual report for the year ended 31 December 2024.

2. The adjustment represents the reduction in Adjusted NAV prior to the Distribution resulting from the completion of the HKC Share Distribution, assuming that the HKC Share Distribution was completed on 31 December 2024 and is calculated as follows:

	<i>HK\$' million</i>
Derecognition of consolidated NAV of HKC ( <i>Note (i)</i> )	(8,982)
Less: Non-controlling interest of HKC ( <i>Note (ii)</i> )	2,403
Derecognition of payable for HKC Share Distribution ( <i>Note (iii)</i> )	340
Recognition of HKC Shares retained by the Group ( <i>Note (iv)</i> )	81
Estimated transaction cost of the HKC Share Distribution	(3)
Pro forma adjustment	<u>(6,161)</u>

*Notes:*

- (i) The amount is extracted from the audited consolidated statement of financial position of HKC as at 31 December 2024 as included in its published annual report for the year ended 31 December 2024.
  - (ii) The amount is extracted from Note 34 of the Company's audited consolidated financial statements for the year ended 31 December 2024 as included in its published annual report for the year ended 31 December 2024.
  - (iii) The amount was derived from the closing price of HKC Shares as quoted on the Hong Kong Stock Exchange of HK\$0.285 per share as at 31 December 2024 multiplied by 1,193,432,757 HKC Shares distributed to the Shareholders.
  - (iv) The amount was derived from the closing price of HKC Shares as quoted on the Hong Kong Stock Exchange of HK\$0.285 per share as at 31 December 2024 multiplied by 284,282,735 HKC Shares retained by the Group after the completion of the HKC Share Distribution.
3. The adjustment reflects the reduction in Adjusted NAV prior to the Distribution resulting from the fair value change of the HKC Shares retained by the Group from 31 December 2024 to the Last Trading Date. Such amount was derived from the difference between the closing price of HKC Shares as quoted on the Hong Kong Stock Exchange of HK\$0.285 per share as at 31 December 2024 and the closing price of HKC Shares as quoted on the Hong Kong Stock Exchange of HK\$0.230 per share as at the Last Trading Date, multiplied by 284,282,735 HKC Shares retained by the Group after the completion of the HKC Share Distribution.



4. The adjustment reflects the reduction in Adjusted NAV after the Distribution by excluding the consolidated NAV of LCR Group attributable to Shareholders subject to the Distribution and is calculated as follows:

	<i>HK\$' million</i>
Consolidated NAV of LCR ( <i>Note (i)</i> )	2,073
Less: Non-controlling interest of LCR ( <i>Note (ii)</i> )	(794)
Less: Elimination of accumulated impact of inter-company transaction between the LCR Group and the Group	(3)
Consolidated NAV of LCR attributable to Shareholders	1,276
Percentage of Consolidated NAV of LCR attributable to Shareholders subject to the Distribution ( <i>Note (iii)</i> )	44.02%
Pro forma adjustment	562

*Notes:*

- (i) The amount is extracted from the audited consolidated statement of financial position of LCR as at 31 December 2024 as included in its published annual report for the year ended 31 December 2024.
  - (ii) The amount is extracted from Note 34 of the Company's audited consolidated financial statements for the year ended 31 December 2024 as included in its published annual report for the year ended 31 December 2024.
  - (iii) The percentage is derived from 303,289,730 LCR Shares subject to the Distribution divided by 689,018,438 LCR Shares indirectly held by Company as at 31 December 2024.
5. The Adjusted NAV prior to the Distribution per Share, the pro forma adjustment per Share and the Adjusted NAV after the Distribution per Share are calculated by dividing 493,154,032 Shares in issue as at 31 December 2024.
6. Other than pro forma adjustments as listed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2024.

The Scheme Shareholders and/or potential investors are reminded that the Adjusted NAV prior to the Distribution and the Adjusted NAV after the Distribution are prepared based on the latest published audited consolidated financial statements of the Company for the financial year ended 31 December 2024. Shareholders are advised to read carefully the independent reporting accountant's assurance report on the compilation of unaudited pro forma financial information that is appended to this joint announcement and the Scheme Document once it has been despatched.

### **Highest and lowest prices**

During the six-month period ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$0.521<sup>#</sup> on 31 December 2024, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$0.307<sup>#</sup> on 4 and 5 December 2024.

## **Dividend payment by the Company**

As at the date of this joint announcement, the Company has not declared any dividend or other distribution which remains unpaid, and, other than the Distribution, the Company does not intend to make, declare and/or pay any dividend or make other distribution on or before the Effective Date or the date on which the Scheme is not approved, or the Proposal otherwise lapses (as the case may be).

In the event that any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Scheme Shares after the date of this joint announcement, other than the Distribution, the Offeror reserves the right to reduce the Scheme Consideration by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital subject to compliance with the Takeovers Code, in which case any reference in this joint announcement, the Scheme Document or any other announcement(s) or document(s) to the Scheme Consideration will be deemed to be a reference to the Scheme Consideration as so reduced.

## **3. CONDITIONS TO THE PROPOSAL**

### **Conditions to the Scheme**

The Scheme will only become binding and effective on the Company and all of the Scheme Shareholders if the following Scheme Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme at the Court Meeting (by way of a poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting, and the votes cast (by way of poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all CO Disinterested Shares, provided that (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Disinterested Shares held by the Disinterested Shareholders that are cast either in person or by proxy at the Court Meeting; and (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Disinterested Shares held by the Disinterested Shareholders;
- (b) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting (or otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled;
- (c) the sanction of the Scheme (with or without modification) and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme by the High Court and the registration of a copy of the order of the High Court by the Registrar of Companies under Part 2 of the Companies Ordinance;

- (d) the compliance with the procedural requirements of sections 230 and 231 and sections 673 and 674 of the Companies Ordinance in so far as they relate to the effectiveness of the reduction of the issued share capital of the Company and the Scheme, respectively;
- (e) a capital reduction by the Company having been completed to enable it to have sufficient distributable reserves to make the Distribution, details of which has been stated in the announcement made by the Company on 9 May 2025 and in the circular of the Company dated 23 May 2025;
- (f) all Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the Scheme;
- (g) all of the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation up to and as at the Effective Date;
- (h) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or the Scheme void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the Scheme); and
- (i) since the date of this joint announcement, there having been no adverse change to the business, financial or trading position of the Group which is material in the context of the Group taken as a whole or in the context of the Proposal.

The Scheme Conditions in paragraphs (a) to (f) (inclusive) cannot be waived. The Offeror reserves the right to waive all or any of the Scheme Conditions in paragraphs (g) to (i) (inclusive) above in whole or in part, either generally or in respect of any particular matter. The Company has no right to waive any of the Scheme Conditions. All of the Scheme Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

With reference to the Scheme Condition in paragraph (g), as at the date of this joint announcement, the Offeror is not aware of any requirement for such Approvals other than those set out in the Scheme Conditions in paragraphs (a) to (e).

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Scheme Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to the right to invoke any such Scheme Condition are of material significance to the Offeror in the context of the Proposal.

As at the date of this joint announcement and based on the information available to the Offeror and the Company, other than pursuant to the Scheme Conditions in paragraphs (a) to (e) (inclusive) above, the Offeror and the Company are not aware of any circumstances which may result in any of the Scheme Conditions in paragraphs (f) to (i) (inclusive) above not being satisfied.

If the Scheme Conditions are satisfied or (where applicable) waived, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting. If the Scheme is not approved or the Proposal otherwise lapses, an announcement will be made by the Offeror and the Company.

### **Conditions to the Distribution**

The Distribution will be subject to satisfaction of the following Distribution Conditions:

- (a) a capital reduction by the Company having been completed to enable it to have sufficient distributable reserves to make the Distribution, details of which has been stated in the announcement made by the Company on 9 May 2025 and in the circular of the Company dated 23 May 2025; and
- (b) the Scheme having become binding and effective in accordance with its terms and conditions.

None of the Distribution Conditions can be waived. All of the Distribution Conditions must be fulfilled on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

### **WARNING**

**Shareholders and/or potential investors should be aware that the implementation of the Proposal will only become effective upon all the Scheme Conditions and the Distribution Conditions being satisfied or validly waived (as applicable) and thus the Scheme may or may not become effective and the Distribution may or may not be made. Shareholders and/or potential investors should therefore exercise caution when dealing in Shares. Persons who are in doubt as to the action they should take should consult their licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional adviser.**

## **4. CONFIRMATION OF FINANCIAL RESOURCES**

On the basis of the Scheme Consideration of HK\$0.14 per Scheme Share and there being 123,353,813 Scheme Shares in issue as at the date of this joint announcement, the aggregate Scheme Consideration payable by the Offeror is approximately HK\$17.27 million. The Offeror intends to finance the cash consideration payable under the Scheme Consideration in full by its internal resources.

Assuming all the Scheme Shareholders elect for the Cash Alternative and Lippo Capital elects for the Scrip Alternative, on the basis of the Cash Alternative Amount of HK\$0.564 per Share and there being 123,353,813 Scheme Shares in issue as at the date of this joint announcement, the maximum Cash Alternative Amount payable by the Company is approximately HK\$69.57 million. The Company intends to finance the amount payable under the Cash Alternative in full by its internal resources including new bank borrowings.

The Financial Adviser is satisfied that sufficient financial resources are available to the Offeror and the Company (as the case may be) to satisfy in full the payment obligations in respect of the Scheme Consideration payable by the Offeror and the cash amount under the Distribution payable by the Company respectively under the Proposal.

## **5. SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the date of this joint announcement:

- (i) the issued share capital of the Company comprises 493,154,032 Shares;
- (ii) the Offeror does not legally and/or beneficially own, control or have direction over any Shares;
- (iii) Lippo Capital legally and/or beneficially own, control or have direction over 369,800,219 Shares (representing approximately 74.98% of the issued Shares);
- (iv) the Offeror Concert Parties Subject to the Scheme legally and/or beneficially own, control or have direction over 242 Shares (representing approximately 0.00% of the issued Shares);
- (v) the Disinterested Shareholders legally and/or beneficially own, control or have direction over 123,353,571 Shares (representing approximately 25.02% of the issued Shares);
- (vi) the Scheme Shareholders (including the Offeror Concert Parties Subject to the Scheme) legally and/or beneficially own, control or have direction over 123,353,813 Shares in aggregate, representing approximately 25.02% of the issued Shares; and
- (vii) the Company does not have any outstanding shares, options, warrants, derivatives, convertible securities or other relevant securities in issue.

## Shareholding Structure

Assuming there is no other change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately upon completion of the Proposal:

<u>Shareholder</u>	<u>As at the date of this joint announcement</u>		<u>Immediately upon the completion of the Proposal</u>	
	Number of Shares	Approximate % of the issued Shares	Number of Shares	Approximate % of the issued Shares
<b>(A) Offeror</b> (Note (1))	-	-	123,353,813	25.02
<b>(B) Lippo Capital</b> (Note (2))	369,800,219	74.98	369,800,219	74.98
<b>(C) Offeror Concert Parties Subject to the Scheme</b>				
Mr. Wai Ming Wan (Note (3))	48	0.00	-	-
Mr. Man Cho Lee (Note (4))	98	0.00	-	-
Mr. Davy Kwok Fai Lee (Note 5))	48	0.00	-	-
Ms. Kitty So Kit Lee (Note 6))	48	0.00	-	-
-				
<b>Sub-total for (A)+(B)+(C)</b>	369,800,461	74.98	493,154,032	100.00
<b>(D) Disinterested Shareholders</b>				
Mr. John Luen Wai Lee (Note (7))	1,031,250	0.21	-	-
Mr. Jark Pui Lee (Note (7))	8	0.00	-	-
Other Disinterested Shareholders	122,322,313	24.81	-	-
<b>Total of Disinterested Shareholders</b>	123,353,571	25.02	-	-
<b>TOTAL:</b>				
<b>(A) + (B) + (C) + (D)</b>	493,154,032	<u>100.00</u>	493,154,032	<u>100.00</u>
<b>(E) Scheme Shareholders:</b> = (C) + (D) (Note (8))	123,353,813	25.02	-	-

Note (1): As at the date of the joint announcement, the Offeror does not hold any Shares and the Offeror is wholly-owned by Lippo Capital.

Note (2): As at the date of this joint announcement, 369,800,219 Shares were held by Lippo Capital as beneficial owner.

Note (3): Mr. Wai Ming Wan is the sole director of the Offeror.

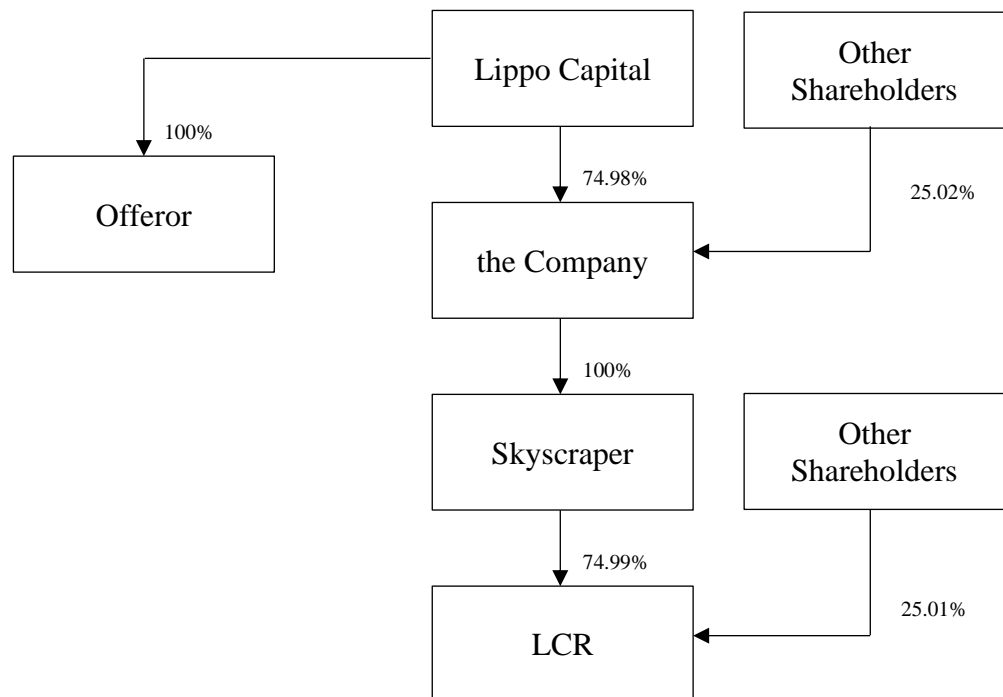
- Note (4): Mr. Man Cho Lee is a director of Lippo Capital.
- Note (5): Mr. Davy Kwok Fai Lee is a director of Lippo Capital, the Company and LCR.
- Note (6) : Ms. Kitty So Kit Lee is the spouse of Mr. Davy Kwok Fai Lee.
- Note (7): The following persons are not regarded as Offeror Concert Parties in relation to the Company and the Shares held by them will form part of the Scheme Shares held by the Disinterested Shareholders:
1. Mr. John Luen Wai Lee, deputy chairman and an executive director of the Company, holds 1,031,250 Shares, representing approximately 0.21% of the total issued shares of the Company as at the date of this joint announcement; and
  2. Mr. Jark Pui Lee, a non-executive director of the Company, is interested in, through the interest of his spouse, 8 Shares, representing approximately 0.00% of the total issued shares of the Company as at the date of this joint announcement.
- Note (8): Scheme Shares shall include any Shares held by Disinterested Shareholders and all Shares held by Offeror Concert Parties Subject to the Scheme.
- Note: The Financial Adviser and relevant members of the BOCI Group which hold the Shares (or options, warrants or derivatives in respect of them) are presumed to be acting in concert with the Offeror in accordance with class 5 of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares (or options, warrants or derivatives in respect of them) held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code and also excluding the Shares (or options, warrants or derivatives in respect of them) held on behalf of non-discretionary investment clients of the BOCI Group). Details of holdings, borrowings or lendings of, and dealings in, the Shares (or options, warrants or derivatives in respect of them) held by or entered into by other parts of the BOCI Group will be obtained as soon as possible after this joint announcement has been made in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made by the Offeror if the holdings, borrowings, lendings, or dealings of the other parts of the BOCI Group are significant and in any event such information will be disclosed in the Scheme Document. The statements in this joint announcement as to the holdings, borrowings or lendings of, or their dealings in, the Shares (or options, warrants or derivatives in respect of them) by parties acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of the other parts of the BOCI Group.

As at the date of this joint announcement, (i) Dr. Stephen Riady is interested in 369,800,219 Shares, which are held by Lippo Capital, which in turn is indirectly legally and beneficially owned as to 60% by Dr. Stephen Riady; (ii) Mr. John Luen Wai Lee holds 1,031,250 Shares; (iii) each of Mr. Davy Kwok Fai Lee and his spouse holds 48 Shares; (iv) the spouse of Mr. Jark Pui Lee holds 8 Shares.

Dr. Stephen Riady, Mr. Davy Kwok Fai Lee and his spouse, Ms. Kitty So Kit Lee, are Offeror Concert Parties.

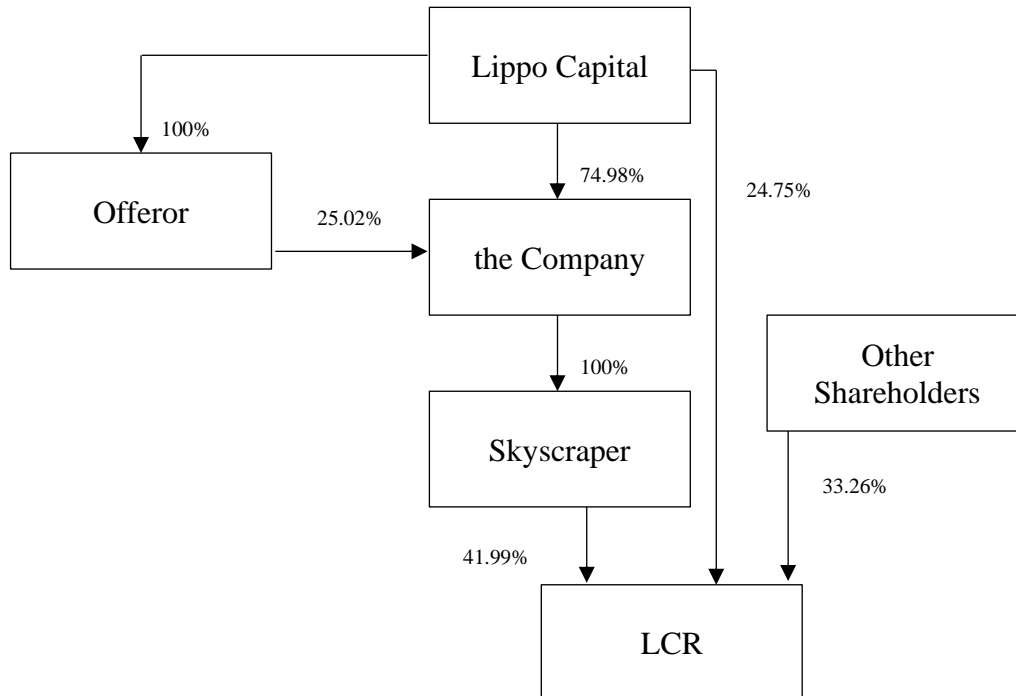
Since Mr. John Luen Wai and Mr. Jark Pui Lee are only the directors of the Company and does not have any other any relationship with the Offeror and its ultimate beneficial owners, they are not regarded as Offeror Concert Parties. Save as disclosed above, as at the date of this joint announcement, none of the Directors beneficially has any interests in the Shares.

Set out below is a simplified shareholding structure of the Company as at the date of this joint announcement:

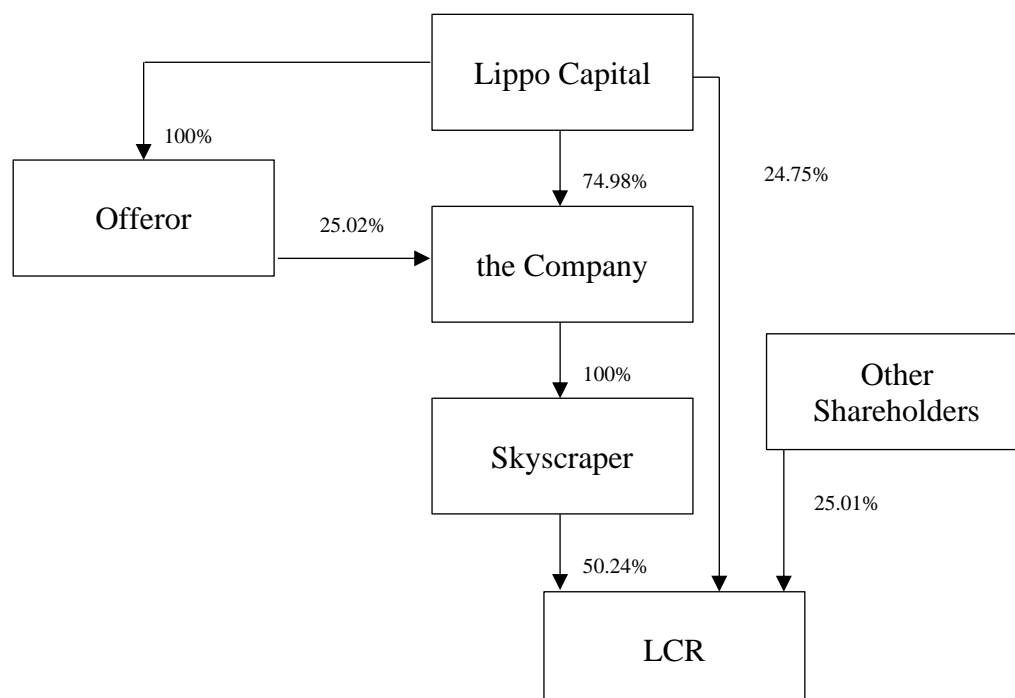




Set out below is a simplified shareholding structure of the Company immediately upon the Effective Date, assuming that there will be no other change in the shareholding of the Company before the Effective Date, and assuming all Scheme Shareholders select the Scrip Alternative:



Set out below is a simplified shareholding structure of the Company immediately upon the Effective Date, assuming that there will be no other change in the shareholding of the Company before the Effective Date, assuming all Scheme Shareholders select the Cash Alternative:



## 6. VOTING AT THE COURT MEETING AND THE GENERAL MEETING

As at the date of this joint announcement, the Disinterested Shareholders were interested in 123,353,571 Shares (representing approximately 25.02% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares. Only Shareholders who qualify as both Disinterested Shareholders and holders of CO Disinterested Shares (details of which will be set out in the Scheme Document) and not one only will be eligible to vote at the Court Meeting.

As at the date of this joint announcement, Lippo Capital is interested in 369,800,219 Shares (representing approximately 74.98% of the issued share capital of the Company). Such Shares will not form part of the Scheme Shares.

As at the date of this joint announcement, the Offeror Concert Parties Subject to the Scheme are interested in 242 Shares (representing approximately 0.00% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares but will not be voted at the Court Meeting.

All Shareholders will be entitled to attend the General Meeting and vote on the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled.

## 7. INFORMATION ON THE COMPANY

The Company is a company incorporated in the Hong Kong with limited liability whose Shares have been listed on main board of the Hong Kong Stock Exchange. The principal business activity of the Company is investment holding. The principal business activities of the subsidiaries, associates, joint ventures and joint operation of the Company are investment holding, property investment, property development, food businesses, healthcare services, property management, mineral exploration and extraction, securities investment and treasury investment.

Set out below is the financial information of the Group for the two years ended 31 December 2024, and as at 31 December 2023 and 2024, as extracted from the annual report for the year ended 31 December 2024:

	<b>For the year ended 31 December</b>	
	<b>2023</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue	813,522	848,843
Gross profit	502,214	545,990
Loss before taxation	(67,045)	(1,906,192)
Loss for the year attributable to owners of the Company	(35,381)	(1,411,596)

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Current assets	1,038,189	10,247,529
Non-current assets	14,091,684	3,015,287
Current liabilities	786,459	1,561,562
Non-current liabilities	1,433,749	1,521,554
Net assets attributable to owners of the Company	9,075,231	6,981,959

## 8. INFORMATION ON LCR

LCR is a company incorporated in Hong Kong with limited liability whose shares are listed on the main board of the Hong Kong Stock Exchange under the stock code: 156. The principal activity of LCR is investment holding. Its subsidiaries, associates, joint ventures and joint operation are principally engaged in investment holding, property investment, property development, food businesses, healthcare services, property management, mineral exploration and extraction, securities investment and treasury investment.

Set out below is the financial information of the LCR Group for the two years ended 31 December 2024, and as at 31 December 2023 and 2024, as extracted from the annual report for the year ended 31 December 2024:

	<b>For the year ended 31 December</b>	
	<b>2023</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue	739,438	775,302
Gross profit	430,120	474,594
Loss before taxation	(185,960)	(706,430)
Loss for the year attributable to owners of LCR	(146,420)	(683,698)

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Current assets	791,143	558,582
Non-current assets	3,185,187	2,945,425
Current liabilities	499,379	529,525
Non-current liabilities	652,428	901,554
Net assets attributable to owners of LCR	2,495,761	1,776,800

As at the date of this joint announcement, the Company, through Skyscraper, is indirectly interested in 689,018,438 LCR Shares, representing approximately 74.99% of the LCR Shares. Immediately following the Distribution, the Scheme Shareholders who elect to receive the Scrip Alternative Shares will become shareholders of LCR.

For illustration purposes only, based on the number of LCR Shares in issue and the number of Shares of the Company in issue as at the date of this joint announcement, the Company, through Skyscraper, indirectly holds approximately 689,018,438 LCR Shares (representing approximately 74.99% of the total number of LCR Shares in issue) and Lippo Capital, being the holding company of the Company, does not hold any LCR Shares. The following table sets out the shareholding structure of LCR before and after completion of the Distribution:

	Immediately before the completion of the Distribution		At the completion of the Distribution			
			Assuming all Scheme Shareholders select Scrip Alternative		Assuming all Scheme Shareholders select Cash Alternative	
Shareholders	Number of LCR Shares held	Approximate percentage of the issued LCR Shares	Number of LCR Shares held	Approximate percentage of the issued LCR Shares	Number of LCR Shares held	Approximate percentage of the issued LCR Shares
Skyscraper <sup>(Note 1)</sup>	689,018,438	74.99	385,728,708	41.99	461,591,304	50.24
Lippo Capital <sup>(Note 1)</sup>	Nil	Nil	227,427,134	24.75	227,427,134	24.75
Mr. James Siu Lung Lee <sup>(Note 2)</sup>	200	0.00	200	0.00	200	0.00
Ms. Min Yen Goh <sup>(Note 2)</sup>	200,000	0.02	200,000	0.02	200,000	0.02
Public Shareholders	229,472,633	24.99	305,335,229	33.24	229,472,633	24.99
<b>Total</b>	<b>918,691,271</b>	<b>100.00</b>	<b>918,691,271</b>	<b>100.00</b>	<b>918,691,271</b>	<b>100.00</b>

Note:

1. The total issued shares of Lippo Capital is indirectly legally and beneficially owned by Dr. Stephen Riady and Mr. James Riady as to 60% and 40% respectively of its total issued share capital. Lippo Capital holds 369,800,219 Shares (representing approximately 74.98% of the issued Shares). Lippo in turn holds 100% of the total issued shares of Skyscraper.

Therefore, each of Dr. Stephen Riady, Mr James Riady and Lippo Capital (a) is deemed to be interested in 689,018,438 LCR Shares held by Skyscraper immediately prior to the completion of the Distribution and (b) for illustrative purpose only, at the completion of the Distribution, shall be deemed to be interested in (i) 227,427,134 LCR Shares held directly by Lippo Capital and (ii) 385,728,708 LCR Shares held by Skyscraper assuming all Scheme Shareholders elect the Scrip Alternative or 461,591,304 LCR Shares held by Skyscraper assuming all Scheme Shareholders elect the Cash Alternative.

2. Mr. James Siu Lung Lee is an executive Director of LCR and Ms. Min Yen Goh is an independent non-executive Director of the Company and LCR.

## **9. INFORMATION ON THE OFFEROR**

The Offeror is a company limited by shares incorporated in the British Virgin Islands. It is an investment holding company and does not hold any material assets or businesses as at the date of this joint announcement.

As at the date of this joint announcement, the Offeror is a wholly-owned subsidiary of Lippo Capital, which in turn is indirectly legally and beneficially owned by Dr. Stephen Riady, an executive director of the Company and Mr. James Riady as to 60% and 40% respectively of its total issued share capital. Lippo Capital is principally engaged in investment holding.

## **10. INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP**

The Offeror intends to continue with the existing business of the Group and does not intend to introduce significant changes to the existing operations and/or disposal or redeployment of assets of the Group. It is also the intention of the Offeror that there will not be significant changes in the management and employees of the Group as a result of the Proposal. Nevertheless, the Offeror will continue to monitor all business opportunities as they arise from time to time.

## **11. INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, comprising all the non-executive Directors, namely, Mr. Jark Pui Lee, Mr. Leon Nim Leung Chan, Mr. King Fai Tsui, Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh, has been established by the Board to make recommendations to the Disinterested Shareholders as to: (i) whether the terms of the Proposal (including the Scheme and the Distribution) are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the General Meeting. None of them have any relationship with the Offeror and its ultimate beneficial owners. As at the date of this joint announcement, Mr. Jark Pui Lee is interested in, through the interest of his spouse, 8 Shares, representing approximately 0.00% of the total issued shares of the Company.

## **12. INDEPENDENT FINANCIAL ADVISER**

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal (including the Scheme and the Distribution). Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice of the Independent Financial Adviser to the Independent Board Committee in connection with the Proposal (including the Scheme and the Distribution) will be included in the Scheme Document to be despatched jointly by the Company and the Offeror to the Shareholders.

### 13. REASONS FOR AND BENEFITS OF THE PROPOSAL

#### **To the Company:**

##### *Trading liquidity*

Each of the Company and LCR is listed on the main board of the Hong Kong Stock Exchange within the same group. It is noted that trading liquidity in the Shares has been low for a prolonged period over a number of years. The twelve-month average daily trading volume of the Company up to the Last Trading Date amounted to only approximately 87,900 Shares, accounting for less than 0.02% of the total Shares in issue as of the date of this joint announcement. Such low trading liquidity of the Shares has been creating significant difficulty for Shareholders to execute on-market disposals without exerting correspondingly significant downward pressure on the price of the Shares.

##### *Income source*

Further, the business activities of the Group are mainly carried out by LCR and, prior to the completion of the HKC Share Distribution in January 2025, HKC, and accordingly, the Company has historically relied on the upstream dividend from LCR and HKC. However, in the last two years, LCR and HKC have not paid material dividends and the Company has relied on borrowings, which as at 31 December 2024 amounted to HK\$790 million for the Company on a standalone basis (excluding the loan repaid prior to the HKC Share Distribution in the amount of HK\$120 million).

For illustration purposes, with reference to the respective audited consolidated financial statements of the Company, LCR and HKC for the year ended 31 December 2024 as included in their respective published annual reports for the relevant year, (i) the proportion of the total assets directly attributable to the Group when excluding those of the LCR Group and the HKC Group amounted to just approximately 5.8% of the total assets of the Group when excluding those of the HKC Group as at 31 December 2024; and (ii) the proportion of the remaining revenue of the Group when excluding those directly attributable to the LCR Group and the HKC Group amounted to only approximately 0.3% of the total revenue of the Group when excluding those of the HKC Group for the year ended 31 December 2024.

With regards to HKC, its most recent declaration of dividends was announced on 27 March 2024, when it declared a final dividend for the year ended 31 December 2023 of HK\$0.01 per HKC Share. Following the completion of the HKC Share Distribution, the Company only indirectly holds approximately 14.23% of the issued shares of HKC (as opposed to 73.95% previously) and therefore, any future upstream dividend to the Company from this source would be reduced as compared to its historical pattern, even if dividend payments by HKC resumed. In respect of LCR, as LCR has continued to incur losses in its previous financial years, it has not declared any dividends or distributions after 2022. As a result, the Company has not been able to and would not be able to rely on material dividend income from its shareholdings in LCR and HKC going forward.

### *Cost of expense for maintaining the Company's listing status*

Considering the very limited or no dividend income from LCR and HKC, the Company has relied on borrowings to fund its operations and business. However, it would not be prudent for the Company to rely on any further borrowings as the Company has significant liabilities and does not have sufficient income to support or service further borrowings. The Adjusted NAV after the Distribution of HK\$243 million (as set out in the unaudited pro forma statement of adjusted consolidated net asset value attributable to Shareholders as at 31 December 2024 above) is far below the Company's borrowings (on a standalone basis) of HK\$790 million mentioned above, resulting in high gearing.

The continued listing of the Company will require the expenditure of listing, compliance and administrative costs and expenses all of which may be better allocated for the development of the business of the Group, render a more cost-effective business structure and bring more flexibility to the Group to operate in an efficient and sustainable manner. In particular, given that the uncertainties in the global economy remain significant, with the risks tilted to the downside, the Group will need to operate in a challenging operating environment and therefore, it would need to continue to manage its business and monitor their assets and investments cautiously while exercising prudent capital management. Therefore, the continued listing of the Company under the current structure would not provide any meaningful benefit to the Shareholders going forward.

The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements and, in turn, allow greater flexibility for the Offeror and the Company to manage the Group's business.

Due to the abovementioned low liquidity and the relative underperformance in the trading of the Shares, the listing platform of the Company no longer serves as an effective source of funding for its business growth, and the ability of the Company to raise funds in the equity capital markets for future development and growth is severely limited. It is expected that continued listing of the Shares may not provide any meaningful benefit to the Company in this regard in the near future.

### **To the Scheme Shareholders:**

The Proposal provides the Scheme Shareholders with an opportunity to realise their investments in the Company at an attractive premium over the prevailing market price. The Total Cash Entitlement of HK\$0.704 represents (i) a premium of approximately 53.04% over the closing price of HK\$0.460 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date; (ii) a premium of approximately 71.22% over the average closing price of approximately HK\$0.411 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Date; and (iii) a premium of approximately 79.04% over the average closing price of approximately HK\$0.393<sup>#</sup> per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date.



Under the Distribution which would allow the Scheme Shareholders to either elect to take up the Cash Alternative or the Scrip Alternative, it would provide an immediate opportunity for the Scheme Shareholders to exit their investments which have limited trading liquidity at an attractive premium. Should the Scheme Shareholders choose to receive the Cash Alternative, they may have the convenience of not having to sell those LCR Shares separately and paying the relevant trading fees. Or should they prefer to stay with the potential of LCR given its substantial NAV, Scheme Shareholders may choose to receive the Scrip Alternative Shares.

The Proposal represents a good opportunity for the Scheme Shareholders to realise their investments in the Company by unlocking shareholder value through the elimination of the historical holding company discount of the Company's stake in LCR and any option to be able to directly hold the LCR Shares which would increase the liquidity and value of those shares to Shareholders. In addition, as the current market capitalisation of the Company is very small, the LCR Group's transactions that are not sizeable may trigger notifiable transaction thresholds at the Company level and the need to convene shareholder meetings of the Company to approve such transactions, which will increase the costs of the Company. Should the Company be delisted, it would also enable LCR to implement its business strategies more effectively and efficiently with fewer administrative and compliance burdens as well as less related costs and expenses.

Upon the completion of the Proposal, the liabilities of the Company including the borrowings of HK\$790 million mentioned above, would remain with the Company and therefore, the Company would need to retain sufficient assets, such as the remaining interest in the shares of LCR, in order to maintain a positive net asset value.

#### **14. WITHDRAWAL OF LISTING OF THE SHARES ON THE HONG KONG STOCK EXCHANGE**

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application to the Hong Kong Stock Exchange for the withdrawal of the listing of the Shares on main board of the Hong Kong Stock Exchange in accordance with the Listing Rules immediately following the Effective Date.

Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares on the main board of the Hong Kong Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares on the main board of the Hong Kong Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document, which will also contain, among other things, further details of the Scheme.

#### **15. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

Subject to the requirements of the Takeovers Code, the Proposal (including the Scheme and the Distribution) will lapse if any of the Conditions has not been fulfilled or (where applicable) waived on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on main board of the Hong Kong Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

## **16. GENERAL MATTERS RELATING TO THE PROPOSAL**

### **Overseas holders of the Scheme Shares**

The availability of the Proposal, including an election to receive the Scrip Alternative, to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or resident or of which they are citizens. Such overseas Scheme Shareholders should inform themselves about and observe any applicable legal, regulatory or tax requirements in their respective jurisdictions and, where necessary, seek their own legal advice. Further information in relation to overseas Scheme Shareholders will be contained in the Scheme Document.

It is the responsibility of the overseas Scheme Shareholders who wish to take any action in relation to the Proposal (including the Scheme and the Distribution), including an election to receive the Scrip Alternative, to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with any such action, including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with any other necessary formality and the payment of any issue, transfer or other tax in any relevant jurisdiction.

Any approval or acceptance by the Scheme Shareholders, including an election to receive the Scrip Alternative, will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers (including the Financial Adviser to the Offeror) that such laws and regulations have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to the overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or the Shareholders), the Scheme Document may not be despatched to such holders of the Scheme Shares. For that purpose, the Company will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time prior to the despatch of the Scheme Document. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such holders of the Scheme Shares. In granting any such waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Scheme Shareholders.

## **Taxation advice**

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal or the Scheme. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, the Financial Adviser, their respective ultimate beneficial owners, directors, officers, employees, agents and associates and any other person involved in the Proposal or the Scheme accepts any responsibility for any taxation effects on, or liabilities of, any person as a result of the Proposal or the Scheme.

## **Costs of the Scheme**

If the Scheme is either not recommended by the Independent Board Committee or the Independent Financial Adviser as fair and reasonable, and the Scheme is not approved, all costs and expenses incurred by the Company in connection with the Proposal (including the Scheme and the Distribution) shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

## **Other arrangements**

As at the date of this joint announcement:

- (a) save as disclosed in this joint announcement, there are no securities, warrants or options convertible into Shares or LCR Shares held, controlled or directed by the Offeror or any of the Offeror Concert Parties;
- (b) none of the Offeror nor any of the Offeror Concert Parties has dealt for value in any Shares or LCR Shares or any convertible securities, warrants, options or derivatives in respect of any Shares or LCR Shares during the six months prior to and including the date of this joint announcement;
- (c) neither the Offeror nor any of the Offeror Concert Parties has entered into any outstanding derivative in respect of the securities in the Company or LCR;
- (d) neither the Offeror nor any of the Offeror Concert Parties has borrowed or lent any Shares or LCR Shares or any other relevant securities of the Company or LCR;
- (e) no irrevocable commitment to vote for or against the Scheme has been received by the Offeror or any of the Offeror Concert Parties;
- (f) there are no arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares, the LCR Shares or the shares of the Offeror between the Offeror or any of the Offeror Concert Parties and any other person which might be material to the Proposal;
- (g) there is no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Scheme Condition to the Proposal or the Scheme;

- (h) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) either (a) the Offeror or the Offeror Concert Parties; or (b) the Company or the Company's subsidiaries (including LCR) or associated companies; and
- (i) save for the Scheme Consideration and the Distribution, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any of the Offeror Concert Parties to the Scheme Shareholders in connection with the Proposal or the Scheme.

### **Despatch of the Scheme Document**

The Scheme Document containing, among other things: (a) further details of the Proposal (including the Scheme and the Distribution); (b) an explanatory statement in respect of the Scheme as required under the Companies Ordinance; (c) the expected timetable relating to the Proposal (including the Scheme and the Distribution); (d) a letter from the Independent Board Committee containing its recommendations to the Disinterested Shareholders in respect of the Proposal (including the Scheme and the Distribution); (e) a letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal (including the Scheme and the Distribution); (f) an assurance report from the independent reporting accountants on the compilation of pro forma financial information; and (g) notices of the Court Meeting and the General Meeting (including proxy forms relating to such meetings for use by the relevant Shareholders), will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and Applicable Laws.

The Scheme Document will contain important information, and the Disinterested Shareholders or the Shareholders (as the case may be) are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and/or the General Meeting. Any voting or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

## **17. RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Hong Kong Stock Exchange was halted from 9:00 a.m. on 19 May 2025 pending the issuance of this joint announcement. An application has been made by the Company to the Hong Kong Stock Exchange for the resumption of trading in the Shares on the Hong Kong Stock Exchange with effect from 9:00 a.m. on 29 May 2025.

## **18. DISCLOSURE OF DEALINGS**

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Offeror and the Company, including any person who owns or controls 5% or more of any class of the relevant securities of the Offeror or the Company, are hereby reminded to disclose their dealings in any relevant securities of the Company and LCR under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below.

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **19. DEFINITIONS**

In this joint announcement, the following expressions shall have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning ascribed to it under the Takeovers Code;
“Adjusted NAV prior to the Distribution”	the unaudited pro forma adjusted consolidated NAV attributable to Shareholders prior to the Distribution for the purpose of illustrating the effect of the HKC Share Distribution on the basis assuming that (i) the HKC Share Distribution was completed on 31 December 2024; (ii) the remaining HKC Shares held by the Company was valued as at the Last Trading Date; and (iii) 493,154,032 Shares were in issue as at the date of this joint announcement;

“Adjusted NAV after the Distribution”	the unaudited pro forma adjusted consolidated NAV attributable to Shareholders after the Distribution for the purpose of illustrating the effect of the HKC Share Distribution on the basis assuming that (i) the HKC Share Distribution was completed on 31 December 2024; (ii) the remaining HKC Shares held by the Company was valued as at the Last Trading Date; (iii) the Distribution was completed on 31 December 2024; (iv) all Scheme Shareholders select Scrip Alternative; and (v) 493,154,032 Shares were in issue as at the date of this joint announcement;
“Applicable Laws”	any and all laws, rules, regulations, judgments, decisions, decrees, orders, injunctions, treaties, directives, guidelines, standards, notices and/or other legal, regulatory and/or administrative requirements of any Authority;
“Approval”	any approval, authorisation, ruling, permission, waiver, consent, licence, permit, clearance, registration or filing which is required or desirable under any Applicable Law, or any licence, permit or contractual obligation of any member of the Group, for or in connection with the Proposal or the implementation of the Proposal in accordance with its terms and conditions (including the withdrawal of the listing of the Shares on the main board of the Hong Kong Stock Exchange), in each case excluding any filing or notification to any Authority which does not require such Authority’s approval, acknowledgement, permission, consent or clearance;
“associate(s)”	has the meaning ascribed to it under the Takeovers Code;
“Authority”	any supranational, national, federal, state, regional, provincial, municipal, local or other government, governmental, quasigovernmental, legal, regulatory or administrative authority, department, branch, agency, commission, bureau or body (including any securities or stock exchange) or any court, tribunal, or judicial or arbitral body;
“Board”	the board of Directors;

“BOCI Group”	the Financial Adviser and persons controlling, controlled by or under the same control as the Financial Adviser;
“Cash Alternative”	the election alternative under the Distribution which allows Shareholders to receive their entitlements under the Distribution in cash form, as described in the “2. Terms of the Proposal - The Distribution” section of this joint announcement;
“Cash Alternative Amount”	the cash amount of HK\$0.564 per Share equivalent to 0.615 multiplied by the VWAP per LCR Share of HK\$0.9167;
“CO Disinterested Shares”	has the meaning of “disinterested shares” under section 674(3) of the Companies Ordinance <sup>1</sup> ;
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the laws of Hong Kong);
“Company”	Lippo Limited 力寶有限公司, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the main board of the Hong Kong Stock Exchange (Stock Code: 226);
“Condition(s)”	the Scheme Conditions and the Distribution Conditions;
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules;
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the High Court at which the Scheme (with or without modifications) will be voted upon, or any adjournment thereof;
“Director(s)”	the director(s) of the Company;
“Disinterested Share(s)”	the Shares, other than those beneficially owned by the Offeror and the Offeror Concert Parties;
“Disinterested Shareholder(s)”	holders of the Disinterested Shares;

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<sup>1</sup> Section 674(3) of the Companies Ordinance provides that, in the case of a takeover offer, “disinterested shares” excludes shares held by the offeror and “associates” (within the meaning provided in section 667(1)(b)(i) of the Companies Ordinance) of the offeror (unless otherwise declared by the High Court). Section 667(1)(b)(i) of the Companies Ordinance provides that where the offeror is a body corporate, a reference to an “associate” of the offeror is a reference to (i) a body corporate in the same group of companies as the offeror; (ii) a body corporate in which the offeror is substantially interested; or (iii) a person who is a party, or a nominee of a party, to an acquisition agreement with the offeror.

“Distributable LCR Shares”	has the meaning given to that term in the “1. Introduction” section of this joint announcement;
“Distribution”	has the meaning given to that term in the “1. Introduction” section of this joint announcement;
“Distribution Condition(s)”	the condition(s) to the Distribution, as set out above in this joint announcement under the section headed “3. Conditions to the Proposal - Conditions to the Distribution”;
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director;
“Ex-Distribution Adjusted Closing Price”	has the meaning given to that term in the “2. Terms of the Proposal - The Scheme Consideration and the Total Cash Entitlement” section of this joint announcement;
“Financial Adviser”	BOCI Asia Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in relation to the Proposal and the Scheme;
“General Meeting”	a general meeting of the Company to be convened for the purposes of passing all necessary resolutions for, among other things, the implementation of the Scheme, or any adjournment thereof;
“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 and the shares of which are listed on the main board of the Hong Kong Stock Exchange (Stock Code: 655);
“HKC Group”	HKC and its subsidiaries;
“HKC Shares”	ordinary share(s) in the share capital of HKC;



“HKC Share Distribution”	the distribution of 1,193,432,757 HKC Shares made by the Company as announced by the Company on 27 December 2024;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“High Court”	High Court of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Board Committee”	the independent committee of the Board, comprising all the non-executive Directors, namely, Mr. Jark Pui Lee, Mr. Leon Nim Leung Chan, Mr. King Fai Tsui, Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh;
“Independent Financial Adviser” or “Somerley Capital Limited”	Somerley Capital Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to the Proposal (including the Scheme and the Distribution);
“Last Trading Date”	16 May 2025, being the last day on which the Shares were traded on the main board of the Hong Kong Stock Exchange immediately prior to publication of this joint announcement;
“LCR”	Lippo China Resources Limited 力寶華潤有限公司, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Hong Kong Stock Exchange (Stock Code: 156);
“LCR Group”	LCR and its subsidiaries;
“LCR Shares”	ordinary share(s) in the share capital of LCR;

“Lippo Capital”	Lippo Capital Limited, a company incorporated in Cayman Islands with limited liability, and it is indirectly legally and beneficially owned by Dr. Stephen Riady and Mr. James Riady as to 60% and 40% respectively of its total issued share capital;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Long Stop Date”	31 December 2025, or such later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the High Court may direct and in all cases, as permitted by the Executive;
“NAV”	Net asset value;
“Offeror”	LL Capital Holdings Limited, a company incorporated in British Virgin Islands with limited liability, which is wholly owned by Lippo Capital as at the date of this joint announcement;
“Offeror Concert Party(ies)”	person(s) who is/are acting in concert or presumed to be acting in concert with the Offeror under the Takeovers Code;
“Offeror Concert Parties Subject to the Scheme”	Mr. Wai Ming Wan, Mr. Man Cho Lee, Mr. Davy Kwok Fai Lee and Ms. Kitty So Kit Lee, who are Offeror Concert Parties;
“Proposal”	the proposal comprising (a) the privatisation of the Company by way of the Scheme; and (b) the Distribution, on the terms and subject to the Conditions set out in this joint announcement;
“relevant securities”	has the meaning ascribed to it in Note 4 to Rule 22 of the Takeovers Code;
“Scheme”	has the meaning given to that term in the “1. Introduction” section of this joint announcement;
“Scheme Condition(s)”	the condition(s) to the Scheme, as set out above in this joint announcement under the section headed “3. Conditions to the Proposal - Conditions to the Scheme”;

“Scheme Consideration”	the cash amount of HK\$0.14 per Scheme Share, which Scheme Shareholders will receive for the cancellation of their Scheme Shares under the Scheme;
“Scheme Document”	the composite scheme document of the Offeror and the Company containing, among other things, further details of the Proposal together with the additional information set out in the section headed “16. General Matters Relating to the Proposal — Despatch of the Scheme Document” in this joint announcement;
“Scheme Record Date”	the record date to be announced for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme and for determining the entitlements of the Shareholders under the Distribution;
“Scheme Share(s)”	the Share(s) in issue, other than those held by Lippo Capital, on the Scheme Record Date;
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Share(s);
“Scrip Alternative”	the election alternative under the Distribution which allows Shareholders to receive their entitlements under the Distribution in scrip form, as described in the “2. Terms of the Proposal - The Distribution” section of this joint announcement;
“Scrip Alternative Shares”	615 LCR Shares for every 1,000 Shares, rounded down to the nearest whole number;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	the registered holder(s) of the Share(s);
“Skyscraper”	Skyscraper Realty Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, which in turn holds the Distributable LCR Shares;

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended from time to time;
“Total Cash Entitlement”	the Scheme Consideration plus the Cash Alternative Amount;
“U.S.” or “United States”	the United States of America;
“VWAP per LCR Share”	HK\$0.9167, being the volume weighted average price for LCR Shares for the three (3) month period ended on and including the Last Trading Date; and
“%”	per cent.

*\*For identification purpose only*

*# The price of the Share has been adjusted to reflect the HKC Share Distribution with the ex-entitlement date for the HKC Shares on 13 January 2025 as sourced from the website of the Hong Kong Stock Exchange.*

By order of the board of  
**LL Capital Holdings Limited**  
**Wai Ming Wan**  
*Director*

By order of the Board  
**Lippo Limited**  
**Davy Kwok Fai Lee**  
*Chief Executive Officer*

Hong Kong, 28 May 2025

*As at the date of this joint announcement, (i) the sole director of the Offeror is Mr. Wai Ming Wan; and (ii) the directors of Lippo Capital are Dr. Mochtar Riady, Dr. Stephen Riady, Mr. Man Cho Lee and Mr. Davy Kwok Fai Lee.*

*The sole director of the Offeror and the directors of the Lippo Capital jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

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

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and the Offeror Concert Parties (other than the Group)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the sole director of the Offeror and the directors of Lippo Capital in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*The following is the text of a report, prepared for the purpose of incorporation in this joint announcement, received from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, in respect of the Group's unaudited pro forma financial information.*



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## **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

### **TO THE DIRECTORS OF LIPPO LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Lippo Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net asset value attributable to equity holders of the Company ("Shareholders") as at 31 December 2024 and related notes as set out in the joint announcement of LL Capital Holdings Limited and the Company dated 28 May 2025 (the "Joint Announcement") issued by the Company (the "Unaudited Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in the notes to the unaudited pro forma statement of adjusted consolidated net asset value attributable to Shareholders.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the distribution of 1,193,432,757 ordinary shares in Hongkong Chinese Limited held by the Group as announced on 27 December 2024 and the conditional special distribution of up to 303,289,730 ordinary shares in Lippo China Resources Limited held by the Group as announced on 28 May 2025 (the "Distributions") on the Group's financial position as at 31 December 2024 as if the Distributions had taken place at 31 December 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2024, on which an audit report has been published.

### **Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

## **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Joint Announcement is solely to illustrate the impact of the Distributions on the unadjusted financial information of the Group as if the Distributions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Distributions would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Distributions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Distributions in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

**Ernst & Young**  
Certified Public Accountants  
Hong Kong  
28 May 2025