

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Proposal, the Scheme, the Distribution, this Scheme Document and/or the accompanying forms of proxy or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in the Company, you should at once hand this Scheme Document and the accompanying forms of proxy and Form of Election to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This Scheme Document appears for information purposes only and does not constitute an invitation or offer to purchase or subscribe for shares of the Company, the Offeror or LCR. This Scheme Document is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the applicable laws or regulations of such jurisdiction.

LL CAPITAL HOLDINGS LIMITED

(Incorporated in the British Virgin Islands with limited liability)



LIPPO LIMITED

力寶有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 226)

**(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) 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**

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



SOMERLEY CAPITAL LIMITED

Capitalised terms used hereunder shall have the same meanings as defined in this Scheme Document.

A letter from the Board is set out in Part V of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Disinterested Shareholders in relation to the Proposal is set out in Part VI of this Scheme Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal is set out in Part VII of this Scheme Document. The Explanatory Memorandum is set out in Part VIII of this Scheme Document.

The actions to be taken by the Shareholders are set out in Part III of this Scheme Document.

Notices convening the Court Meeting and the General Meeting to be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 August 2025 at 10:45 a.m. and 11:15 a.m. (or, if later, as soon thereafter as the Court Meeting shall have been concluded or adjourned) respectively are set out in Appendix VII and Appendix VIII to this Scheme Document respectively. Whether or not you are able to attend any of the Court Meeting and/or the General Meeting or any adjournment(s) thereof in person, you are strongly urged to complete and sign the enclosed **PINK** form of proxy in respect of the Court Meeting and the enclosed **WHITE** form of proxy in respect of the General Meeting, in accordance with the instructions printed thereon, and to deposit them at the Company's share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event no later than the respective times and dates stated under Part IV of this Scheme Document. If the **PINK** form of proxy is not so lodged, it may be handed to the chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it. If the **WHITE** form of proxy is not so lodged at least 48 hours before the time appointed for the General Meeting, it will not be valid. Completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof, should you so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

This Scheme Document is jointly issued by the Company and the Offeror.

The English language text of this Scheme Document shall prevail over the Chinese language text.

23 July 2025

NOTICE TO OVERSEAS SCHEME SHAREHOLDERS

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.

It is the responsibility of the Overseas Scheme Shareholders who wish to take any action in relation to the Proposal, 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 BOCI Asia as 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.

If you are an Overseas Scheme Shareholder, your attention is drawn to the section headed “19. Overseas Scheme Shareholders” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

NOTICE TO U.S. INVESTORS

The Proposal relates 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 is subject to Hong Kong procedural disclosure requirements and practices which are different from those of the United States.

The Shares are listed on the Hong Kong Stock Exchange and are not listed on a United States national securities exchange or registered under the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). The Proposal is not subject to the tender offer rules or the proxy solicitation rules of the Exchange Act. Accordingly, the Proposal is subject to the procedural and disclosure requirements and practices applicable in Hong Kong to schemes of arrangement and securities offers, which differ from the disclosure and procedural and practice requirements applicable under United States federal securities laws.

The receipt of cash 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 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, it may be difficult for a U.S. holder of the Scheme Shares to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

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

This Scheme Document is not intended to, and does not, constitute, or form part of, an offer or invitation to purchase or subscribe for any securities of the Company in the United States.

Financial information disclosed in respect of the Proposal 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.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operations of the Group contained in this Scheme Document are historical in nature and past performance is not a guarantee of the future results of the Group.

This Scheme Document 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 Scheme Document, and may not be indicative of results or developments in subsequent periods. The forward-looking statements and information contained in this Scheme Document 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.

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In this Scheme Document, the following words and expressions shall have the following meanings unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code;
“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 and the 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 the Scrip Alternative; and (v) 493,154,032 Shares were in issue as at the Latest Practicable Date;
“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 Latest Practicable Date;
“Announcement”	the announcement dated 28 May 2025 jointly issued by the Company and the Offeror in relation to, among other things, the Proposal;
“Announcement Date”	28 May 2025, being the date of the 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;
“Approvals”	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 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;
“Articles of Association”	the articles of association of the Company;

“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, quasi-governmental, 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;
“Beneficial Owner(s)”	any beneficial owner(s) of the Shares whose Shares are registered in the name of the Registered Owner(s);
“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 under the section headed “The Distribution” in “Part VIII — Explanatory Memorandum” of this Scheme Document;
“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;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be individual or joint individuals or a corporation;
“CCASS Participant”	a person admitted to participate in CCASS as a participant, including a CCASS Investor Participant;
“CO Disinterested Shares”	has the meaning of “disinterested shares” under Section 674(3) of the Companies Ordinance ¹ ;
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

¹ 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.

“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 Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 August 2025 at 10:45 a.m., at which the Scheme (with or without modifications) will be voted upon, or any adjournment thereof;
“Court Hearing”	the hearing of the petition by the High Court to sanction the Scheme and to confirm the reduction of the share capital of the Company involved in the Scheme;
“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)”	holder(s) of the Disinterested Shares;
“Distributable LCR Shares”	has the meaning given to that term in section headed “1. Introduction” of “Part VIII — Explanatory Memorandum” of this Scheme Document;
“Distribution”	has the meaning given to that term in section headed “1. Introduction” of “Part VIII — Explanatory Memorandum” of this Scheme Document;
“Distribution Condition(s)”	the condition(s) to the Distribution, as set out under the section headed “Conditions to the Distribution” of “Part VIII — Explanatory Memorandum” of this Scheme Document;
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance;
“Election Time”	4:30 p.m. on Wednesday, 10 September 2025 (or such later date as may be notified by way of joint announcement by the Offeror and the Company on the websites of the Hong Kong Stock Exchange and the Company);

“Excluded Jurisdictions”	has the meaning given to that term under the section headed “19. Overseas Scheme Shareholders” in “Part VIII — Explanatory Memorandum” of this Scheme Document;
“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 under the section headed “The Scheme Consideration and the entitlement under the Distribution” of “Part VIII — Explanatory Memorandum” of this Scheme Document;
“Facility”	the loan facility of up to HK\$105,000,000 granted pursuant to the Facility Agreement for a term of 18 months from the date of the Facility Agreement;
“Facility Agreement”	the facility agreement dated 20 May 2025 entered into between the Company, as borrower, and Bank of China (Hong Kong) Limited, as lender, in respect of the Facility;
“Financial Adviser” or “BOCI Asia”	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;
“Form of Election”	the blue form of election in respect of the Cash Alternative or the Scrip Alternative enclosed with this Scheme Document;
“General Meeting”	an extraordinary general meeting of the Company to be convened at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 August 2025 at 11:15 a.m. (or immediately after the Court Meeting has been concluded or adjourned), for the purpose of approving all necessary resolutions for, among other things, the implementation of the Scheme and the Distribution, or any adjournment thereof;
“Group”	the Company and its subsidiaries;
“High Court”	the High Court of Hong Kong;
“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 Share Distribution”	the distribution of 1,193,432,757 HKC Shares made by the Company as announced by the Company on 27 December 2024 and completed in January 2025;
“HKC Shares”	ordinary share(s) in the share capital of HKC;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HKSCC Nominees”	HKSCC Nominees Limited;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“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”	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;
“Last Trading Date”	16 May 2025, being the last day on which the Shares were traded on the Hong Kong Stock Exchange immediately prior to publication of the Announcement;
“Latest Practicable Date”	18 July 2025, being the latest practicable date for ascertaining certain information contained in this Scheme Document;
“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 Share(s)”	ordinary share(s) in the share capital of LCR;
“Lippo Capital”	Lippo Capital Limited, a company incorporated in Cayman Islands with limited liability and is indirectly legally and beneficially owned by Dr. Stephen Riady and Mr. James Tjahaja Riady as to 60% and 40% respectively of its total issued share capital;

“Lippo Capital Group”	Lippo Capital Group Limited, a company incorporated in Hong Kong with limited liability and is legally and beneficially owned by Dr. Stephen Riady directly;
“Lippo Capital Holdings”	Lippo Capital Holdings Company Limited, a company incorporated in the British Virgin Islands with limited liability which is a 60% shareholder of Lippo Capital and is a wholly-owned subsidiary of Lippo Capital Group;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Long Stop Date”	31 December 2025, or such other 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;
“Meeting Record Date”	Wednesday, 20 August 2025, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the General Meeting;
“NAV”	net asset value;
“Non-Qualifying Shareholder(s)”	those overseas Shareholder(s) or Beneficial Owner(s) in respect of whom the Directors, based on enquiries made by and legal advice obtained by the Company, consider it unduly burdensome to make the Scrip Alternative under the Distribution either because of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such jurisdiction and accordingly comprise Shareholder(s) and Beneficial Owner(s) whose address(es) as appearing on the Register is/are, or which is/are otherwise known by the Company to be, in the Excluded Jurisdictions. For more information, please refer to the section headed “Qualifying Shareholders and Non-Qualifying Shareholders” in “Part VIII — Explanatory Memorandum” of this Scheme Document;
“Offer Period”	has the meaning ascribed to it in the Takeovers Code, which commenced on 28 May 2025, being the date of the Announcement;
“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 Scheme Document;

“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;
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) shown on the Register is/are outside Hong Kong;
“Overseas Scheme Shareholder(s)”	the Scheme Shareholder(s) whose address(es) shown on the Register is/are outside Hong Kong;
“Overseas Jurisdictions”	has the meaning given to that term under the section headed “19. Overseas Scheme Shareholders” in “Part VIII — Explanatory Memorandum” of this Scheme Document;
“PRC”	the People’s Republic of China;
“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 “Part VIII — Explanatory Memorandum” of this Scheme Document;
“Proposed LCR Capital Reduction”	the proposed capital reduction of LCR, details of which are set out in the announcement of LCR dated 9 May 2025 and the circular of LCR dated 23 May 2025;
“Pro Forma Statement of Adjusted NAV”	the unaudited pro forma statement of adjusted consolidated net asset value attributable to Shareholders as at 31 December 2024 and the related notes as set out on pages 100 to 102 of this Scheme Document and as referred to in “Appendix V — Independent Reporting Accountants’ Assurance Report on the Compilation of Pro Forma Financial Information” to this Scheme Document;
“PT Trijaya”	PT Trijaya Utama Mandiri, a company incorporated in Republic of Indonesia with limited liability and is wholly owned by Mr. James Tjahaja Riady who is a brother of Dr. Stephen Riady;
“Relevant Period”	the period commencing on 28 November 2024, being the date falling on the six months prior to the date of the Announcement, and ending on the Latest Practicable Date;
“relevant securities”	has the meaning ascribed to it in Note 4 to Rule 22 of the Takeovers Code;

“Register”	the register of members of the Company;
“Registered Owner”	any person (including without limitation a nominee, trustee, depositary or any other authorised custodian or third party) whose name is entered in the Register as a holder of the Share(s);
“Registrar of Companies”	the Registrar of Companies appointed under the Companies Ordinance;
“S\$”	Singapore dollar(s), the lawful currency of the Republic of Singapore;
“Scheme”	has the meaning given to that term in the section headed “1. Introduction” in “Part VIII — Explanatory Memorandum” of this Scheme Document;
“Scheme Condition(s)”	the condition(s) to the Scheme, as set out under the section headed “Conditions to the Scheme” in “Part VIII — Explanatory Memorandum” of this Scheme Document;
“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”	this composite scheme document jointly issued by the Offeror and the Company containing, among other things, further details of the Proposal together with the additional information as set out in this Scheme Document;
“Scheme Record Date”	Thursday, 28 August 2025 or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme and 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 Scheme Shareholders to receive their entitlements under the Distribution in scrip form, as described under the section headed “The Distribution” of “Part VIII — Explanatory Memorandum” of this Scheme Document;

“Scrip Alternative Shares”	such number of LCR Shares calculated based on 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;
“Share Registrar”	Tricor Investor Services Limited, the Company’s share registrar;
“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.K.”	the United Kingdom;
“U.S.” or “United States”	the United States of America;
“US\$”	United States dollar(s), the lawful currency of the United States;
“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*

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified.

This Scheme Document contains important information and you are encouraged to read this Scheme Document in full, including the appendices carefully.

KEY TERMS OF THE PROPOSAL

The following are some key terms of the Proposal for your ease of reference:

1. What is 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 on the Scheme Record Date.

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

2. What are 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 the Scrip Alternative Shares) or in cash (as the Cash Alternative Amount) (but not a combination of both).

As the Distribution is conditional on the satisfaction of the Distribution Conditions, which include 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 Conditions have 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 no later than 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.

Those Scheme Shareholders electing to receive the Cash Alternative (and the Non-Qualifying Shareholder(s)) will be entitled to receive the Total Cash Entitlement of HK\$0.704 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 “The Distribution” in “Part VIII — Explanatory Memorandum” of this Scheme Document, rounded down to the nearest two decimal places.

Those Scheme Shareholders, other than the Non-Qualifying 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) on the basis 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.

3. What are the comparisons of value in respect of the Scheme Consideration and the entitlement under the Distribution?

Comparison of the combined value of the Scheme Consideration and the Cash Alternative

The Total Cash Entitlement of HK\$0.704 represents:

- (a) a premium of approximately 11.75% over the closing price of HK\$0.630 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) 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;
- (c) 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 5 trading days up to and including the Last Trading Date;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) a premium of approximately 64.16% over the average closing price of approximately HK\$0.429¹ per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (h) a premium of approximately 79.04% over the average closing price of approximately HK\$0.393¹ per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date; and
- (i) 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 2024², which is less than 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.

Comparison is made to the Adjusted NAV prior to the Distribution per Share of approximately HK\$1.633 as at 31 December 2024² instead of the unadjusted consolidated NAV per Share by reference to the audited consolidated financial statements of the Company for the year ended 31 December 2024 as the latter has not taken into account the completion of the HKC Share Distribution. The HKC Share Distribution was completed in January 2025 upon which the Shareholders who qualified had received the distribution in specie on the basis of 2,420 HKC Shares for every 1,000 Shares held by the Shareholders on the relevant record date.

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 2024².

Notes:

- 1 The price of the Shares 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.
- 2 Please refer to the section headed “Pro Forma Statement of Adjusted NAV” as set out on pages 100 to 102 of this Scheme Document for further details of the calculation of the Adjusted NAV prior to the Distribution per Share as at 31 December 2024.

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\$0.074 over the Ex-Distribution Adjusted Closing Price per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date of HK\$0.066 per Share;
- (b) 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;
- (c) 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 5 trading days up to and including the Last Trading Date of negative HK\$0.101 per Share;
- (d) 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;

- (e) 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;
- (f) 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;
- (g) 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\$0.135¹ per Share;
- (h) 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\$0.171¹ per Share; and
- (i) a discount of approximately 71.66% to the Adjusted NAV after the Distribution per Share of approximately HK\$0.494 as at 31 December 2024², assuming all Scheme Shareholders select the Scrip Alternative, which is less than the discount of approximately 71.83% calculated 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 the Adjusted NAV prior to the Distribution of HK\$1.633 per Share as at 31 December 2024².

Notes:

- 1 The price of the Shares 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.
- 2 Please refer to the section headed “Pro Forma Statement of Adjusted NAV” as set out on pages 100 to 102 of this Scheme Document for further details of the calculation of the Adjusted NAV prior to the Distribution per Share and the Adjusted NAV after the Distribution per Share as at 31 December 2024.

While the Scheme Consideration is determined by reference to the discount to the Adjusted NAV prior to the Distribution as mentioned above, there are other commercial factors including the significant reduction of the assets of the Company following the completion of the Distribution, which in turn would limit the options and ability of Lippo Capital to operate the Company, and the likelihood that the Lippo Capital would need to raise future equity funding to support the operations and future development of the Company, which in turn would have a dilutive effect on Lippo Capital’s shareholding in the Company.

However, it is not appropriate to just consider the Scheme Consideration as there is no situation where the Scheme Consideration is paid but not the Distribution as well. The Scheme Shareholders are urged to consider the “Comparison of the combined value of the Scheme Consideration and the Cash Alternative” mentioned above and the “Comparison of the combined value of the Scheme Consideration and the Scrip Alternative” in the next section below.

Comparison of the combined value of the Scheme Consideration and the Scrip Alternative

Based on the closing price of HK\$0.820 per LCR Share as quoted on the Hong Kong 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 Share (which is calculated based on such closing price of HK\$0.820 per LCR Share multiplied by the Distribution ratio of 0.615 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 5 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\$0.429¹ 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\$0.393¹ per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date; and
- (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 2024².

Notes:

- 1 The price of the Shares 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.
- 2 Please refer to the section headed “Pro Forma Statement of Adjusted NAV” as set out on pages 100 to 102 of this Scheme Document for further details of the calculation of the Adjusted NAV prior to the Distribution per Share as at 31 December 2024.

Based on the closing price of HK\$0.710 per LCR Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable 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\$0.5767 per Share (which is calculated based on such closing price multiplied by the Distribution ratio of 0.615 plus the Scheme Consideration), and which represents:

- (a) a discount of approximately 8.46% to the closing price of HK\$0.630 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 25.37% over the closing price of HK\$0.460 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date;
- (c) a premium of approximately 24.56% over the average closing price of approximately HK\$0.463 per Share as quoted on the Hong Kong Stock Exchange for the 5 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 33.50% 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;
- (e) a premium of approximately 40.26% 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;
- (f) a premium of approximately 39.92% 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;
- (g) a premium of approximately 34.47% over the average closing price of approximately HK\$0.429¹ per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (h) a premium of approximately 46.66% over the average closing price of approximately HK\$0.393¹ per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date; and
- (i) a discount of approximately 64.68% to the Adjusted NAV prior to the Distribution per Share of approximately HK\$1.633 as at 31 December 2024².

Notes:

- 1 The price of the Shares 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.
- 2 Please refer to the section headed “Pro Forma Statement of Adjusted NAV” as set out on pages 100 to 102 of this Scheme Document for further details of the calculation of the Adjusted NAV prior to the Distribution per Share as at 31 December 2024.

4. What are the reasons for and the benefits of the Proposal?

The reasons for and benefits of the Proposal, as described in more details in this Scheme Document, are:

To the Company

- (a) the Company would need to undertake substantial fund raising and identify suitable new business opportunities in order to make the continued listing of the Shares viable in the long term; however, it would be difficult to do so for the following reasons:
 - (i) low trading liquidity in the Shares for a prolonged period over a number of years since 2018 has created significant difficulty for Shareholders to execute on-market disposals without exerting correspondingly significant downward pressure on the price of the Shares and also hinders the Company’s ability to raise funds from the public equity market;
 - (ii) the Company has limited business and operations and has historically relied on upstream dividend income from LCR and HKC;
 - (iii) the Company is unable to continue to rely on any material dividend income from its shareholdings in LCR and HKC going forward;
 - (iv) the Company has relied on borrowings to fund its operations and business but it would not be prudent and it would be difficult for the Company to raise any further loan financing;
- (b) the costs and expenses for maintaining the Company’s listing will continue to put a strain on the Company’s limited financial resources;
- (c) the Company has already considered options to sell off its assets or wind down its business but neither is viable nor beneficial to the Company or the Shareholders; and
- (d) the Proposal would allow the Company to withdraw its listing on the Hong Kong Stock Exchange, which would bring significant cost savings.

To the Scheme Shareholders

- (a) the costs and expenses for maintaining the Company's listing would not provide any meaningful benefit to the Shareholders going forward due to the difficulties that Shareholders have had with disposing the Shares on the market;
- (b) the options to sell off its assets or wind down its business would not be viable for the Company or benefit Shareholders as opposed to the Distribution as the Distribution will return more value to the Shareholders;
- (c) 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 and unlock shareholder value through the elimination of the historical holding company discount of the Company's stake in LCR;
- (d) Shareholders are given the choice to elect (i) the Cash Alternative, which would provide an immediate opportunity for the Scheme Shareholders to exit their investments which have limited trading liquidity at an attractive premium and the convenience of not having to sell those LCR Shares separately and paying the relevant trading fees; or (ii) the Scrip Alternative, should Shareholders prefer to stay with the potential of LCR given its substantial NAV;
- (e) the delisting of the Company would enable LCR to implement its business strategies more effectively and efficiently because the LCR Group's transactions that are not sizeable would no longer require the Company to convene shareholder meetings to approve such transactions which in turn would bring more value to its shareholders (including the Scheme Shareholders who elect the Scrip Alternative); and
- (f) it would not be possible to make the Distribution if the Scheme is not approved, sanction or otherwise lapses as (i) the Company would need to retain its assets and cash to continue its business and operations as a listed company and to service its liabilities; and (ii) the new bank loan under the Facility would need to be repaid.

5. What is the Court Meeting, the General Meeting and the Court Hearing?

The Court Meeting is convened for the Scheme Shareholders to vote upon the Scheme (with or without modification).

Immediately after the conclusion or adjournment of the Court Meeting, the General Meeting will be held for the Shareholders for the purpose of, among other things, approving (i) the reduction of the share capital of the Company involved in the Scheme and implementing the Scheme; and (ii) the Distribution.

If all the resolutions are passed at the Court Meeting and the General Meeting, the Court Hearing of the petition will be held to sanction the Scheme and to confirm the reduction of the share capital of the Company involved in the Scheme.

6. What are the location, date and time of the Court Meeting and the General Meeting?

The Court Meeting will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 August 2025 at 10:45 a.m.

The General Meeting will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 August 2025 at 11:15 a.m. (or immediately after the Court Meeting convened for the same day and place shall have been concluded or adjourned).

The Court Meeting and the General Meeting will be in the form of a hybrid meeting. In addition to the traditional physical attendance at the Court Meeting and the General Meeting, the Overseas Scheme Shareholders (in the case of the Court Meeting) or the Overseas Shareholders (in the case of the General Meeting) as at the Meeting Record Date have the option of attending, participating and voting in the Court Meeting and/or the General Meeting (as the case may be) through online access by visiting the website at <https://evoting.vistra.com/#/227> and <https://evoting.vistra.com/#/226>, respectively (the “**eVoting Portal**”).

7. What do I need to do if I want to vote at the Court Meeting and the General Meeting?

You are strongly encouraged:

- (a) in the case of a Scheme Shareholder or a Shareholder — to exercise your right to vote at the Court Meeting and/or the General Meeting; or
- (b) in the case of a Beneficial Owner — to contact the relevant Registered Owner to give instructions to and/or make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the General Meeting.

8. I am an Overseas Shareholder. What should I do?

All Overseas Shareholders are advised to read this Scheme Document in its entirety. Your attention is drawn to the section headed “19. Overseas Scheme Shareholders” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

9. What is the position of the Independent Board Committee on the Proposal?

The Independent Board Committee, having considered the terms of the Proposal and having taken into account the opinion of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter in “Part VII — Letter from the Independent Financial Adviser” of this Scheme Document, considers that, as far as the Disinterested Shareholders are concerned, the Proposal (including the Scheme and the Distribution) is fair and reasonable. Accordingly, the Independent Board Committee recommends:

- (a) at the Court Meeting, the Disinterested Shareholders to vote in favour of the resolution to approve the Scheme; and
- (b) at the General Meeting, the Shareholders to vote in favour of (i) the special resolution 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 and extinguished; and (ii) the ordinary resolution to approve the Distribution.

Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Proposal. It considers that, as far as the Disinterested Shareholders are concerned, the Proposal (including the Scheme and the Distribution) is fair and reasonable. The text of the letter from Somerley containing its recommendation and the principal factors and reasons that it has taken into consideration in arriving at its recommendation is set out in “Part VII — Letter from the Independent Financial Adviser” of this Scheme Document. You are advised to carefully read such letter of advice before taking any action in respect of the Proposal.

10. Who should I contact if I have additional questions?

If you have any questions concerning administrative matters, such as dates, documentation and procedures relating to the Proposal (including the Scheme and the Distribution), please call the hotline of the Share Registrar at (852) 2980 1333 between 9:00 a.m. and 5:00 p.m. on Monday to Friday, excluding public holidays in Hong Kong.

You may also direct your questions to the Company by email to general@lippohk.com.

The hotline and the Company cannot and will not provide any advice on the merits of the Proposal (including the Scheme and the Distribution) or give any financial or legal advice. If you are in doubt as to the content of this Scheme Document, any aspect of the Proposal (including the Scheme and the Distribution) or any action to be taken, you are encouraged to consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional advisers and obtain independent professional advice.

1. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Entitlements of Scheme Shareholders and Shareholders to attend and vote at Court Meeting and General Meeting

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the General Meeting, the Register will be closed from Thursday, 14 August 2025 to Wednesday, 20 August 2025 (both dates inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Wednesday, 13 August 2025.

A **PINK** form of proxy for use at the Court Meeting and a **WHITE** form of proxy for use at the General Meeting are enclosed with this Scheme Document. A subsequent purchaser of Shares to be voted at the Court Meeting or the General Meeting will need to obtain a form of proxy from the transferor if he or she wishes to attend or vote at the Court Meeting or the General Meeting.

Whether or not you are able to attend the Court Meeting and/or General Meeting or any adjournment(s) thereof in person, if you are a Scheme Shareholder, you are strongly urged to complete and sign the enclosed **PINK** form of proxy in respect of the Court Meeting; and if you are a Shareholder, you are strongly urged to complete and sign the enclosed **WHITE** form of proxy in respect of the General Meeting in accordance with the instructions printed thereon, and to deposit them at the Share Registrar at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event no later than the following times and dates in order to be valid:

- the **PINK** form of proxy for use at the Court Meeting must be lodged no later than 10:45 a.m. on Monday, 18 August 2025 but if it is not so lodged, it may be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it); and
- the **WHITE** form of proxy for use at the General Meeting must be lodged no later than 11:15 a.m. on Monday, 18 August 2025, failing which it will not be valid.

The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude you from attending and voting in person at the relevant meeting. In such event, the returned form of proxy will be revoked by operation of law.

Voting at the Court Meeting and the General Meeting will be taken by poll as required under the Listing Rules and the Takeovers Code.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the General Meeting, you will still be bound by the outcome of the Court Meeting and the General Meeting, if, among other things, the resolutions are passed by the requisite majorities of the Disinterested Shareholders or the Shareholders (as the case may be). You are therefore strongly urged to attend and vote at the Court Meeting and/or the General Meeting in person or by proxy.

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the General Meeting on Wednesday, 20 August 2025 no later than 7:00 p.m. If all of the resolutions are passed at the Court Meeting and the General Meeting, further announcement(s) will be made in relation to, among other things, the outcome of the Court Hearing if the Scheme is sanctioned, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Hong Kong Stock Exchange, in accordance with the requirements of the Takeovers Code and the Listing Rules.

Entitlements of Scheme Shareholders and Shareholders to receive Scheme Consideration and Distribution

Assuming that the Scheme Record Date falls on Thursday, 28 August 2025, the Register will be closed from Thursday, 28 August 2025 (or such other date as the Shareholders may be notified by announcement) onwards in order to determine the entitlements of the Scheme Shareholders and the Shareholders to receive the Scheme Consideration and the Distribution respectively under the Proposal. During such period, no transfer of Shares will be effected.

In order to qualify for such entitlements to receive the Scheme Consideration and the Distribution under the Proposal, all transfer documents accompanied by the relevant share certificates must be lodged at the office of the Share Registrar at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Wednesday, 27 August 2025 (or such other date as the Shareholders may be notified by announcement).

A **BLUE** Form of Election is enclosed with copies of this Scheme Document sent to the Registered Owners. Any subsequent purchasers of the Shares will need to obtain the Form of Election from the transferors.

Each Shareholder, other than a Non-Qualifying Shareholder, will be entitled to make an irrevocable election to receive:

- (a) the Cash Alternative; or
- (b) the Scrip Alternative,

by lodging a Form of Election, duly completed and signed in accordance with the instructions appearing on it, at the office of the Share Registrar at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by the Election Time, **being 4:30 p.m. on Wednesday, 10 September, 2025 (or such later date as may be notified by way of joint announcement by the Offeror and the Company on the websites of the Hong Kong Stock Exchange and the Company).**

For the avoidance of doubt, the Form of Election is not for use (as a form of proxy or otherwise) at the Court Meeting and the General Meeting. The Form of Election is for the Shareholders to elect for the Cash Alternative or the Scrip Alternative should they wish to do so. This election may be made at any time up to the Election Time but, once made, shall be irrevocable unless with the Company's express consent in writing. However, this election is subject to the Scheme having become binding and effective in accordance with its terms.

No acknowledgement of receipt of any Form of Election will be given to you. A Form of Election which is completed and delivered by you shall be irrevocable and incapable of being amended, withdrawn or revoked unless the Company expressly consents in writing to any such amendment, withdrawal or revocation. The Company shall have the right to reject any or all Forms of Election that it determines to be not duly completed or executed in accordance with the instructions on them or containing inaccurate, incorrect, invalid or incomplete information or illegible writing or otherwise not valid in accordance with the terms set out in this Scheme Document. None of the Offeror, the Company or the Share Registrar is obliged to give notice to any Shareholder of any such rejection and each of them hereby disclaims any and all liabilities arising from not giving such notification.

In addition, the Company shall also have the right to treat any Form of Election that has not been completed in accordance with the instructions on it, or has otherwise been completed incorrectly, as being valid, provided that the Company in its absolute discretion considers the omissions or errors to be immaterial. None of the Offeror, the Company or the Share Registrar is obliged to give notice to any Shareholder of any such defects or irregularities and each of them hereby disclaims any and all liabilities arising from not giving such notification or from the Company exercising or not exercising its discretion as aforementioned.

Arrangement for Non-Qualifying Shareholders

As the Scrip Alternative under the Distribution will not be extended to the Non-Qualifying Shareholders, the Non-Qualifying Shareholders will not be able to elect to receive their entitlements under the Distribution in scrip form (as Scrip Alternative Shares). Subject to the Scheme being approved and implemented and the Distribution Conditions being satisfied, the Non-Qualifying Shareholders will automatically receive the Scheme Consideration and the Cash Alternative Amount.

Any Non-Qualifying Shareholder who receives a Form of Election will be deemed to have received the Form of Election for information purpose only.

Assuming that the Scheme becomes binding and effective in accordance with their respective terms, you will receive the Scheme Consideration and:

- (a) the Cash Alternative (but not the Scrip Alternative) for all of your Shares if:**
 - (i) you have not returned a Form of Election as described above by the Election Time; or**
 - (ii) you have returned a Form of Election which is duly and validly completed and executed in accordance with the instructions on it and in which you elect to receive the Cash Alternative; or**
 - (iii) you have returned a Form of Election which is not duly completed or executed in accordance with the instructions on it or contains inaccurate, incorrect, invalid or incomplete information or illegible writing or is otherwise not valid in accordance with the terms set out in this Scheme Document; or**
 - (iv) you are a Non-Qualifying Shareholder; or**
- (b) the Scrip Alternative (but not the Cash Alternative) for all of your Shares, if you have returned a Form of Election which is duly and validly completed and executed in accordance with the instructions on it and in which you elect to receive the Scrip Alternative.**

2. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY REGISTERED OWNERS

No person shall be recognised by the Company as holding any Shares on trust.

If you are a Beneficial Owner whose Share(s) are registered in the name of a Registered Owner (other than HKSCC Nominees), you should contact the Registered Owner and give instructions to and/or make arrangements with the Registered Owner as to the manner in which the Share(s) beneficially owned by you should be voted at the Court Meeting and/or the General Meeting; and as to the election of the Cash Alternative or the Scrip Alternative.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the General Meeting personally (whether by physical attendance or through the use of the eVoting Portal for the Overseas Shareholders or the Overseas Scheme Shareholders), you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the General Meeting and, for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name, if you wish to vote (in person or by proxy) at the Court Meeting and/or the General Meeting.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the General Meeting; and the Form of Election or, as applicable, the latest time for lodging transfers of Shares, in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy, Form of Election or transfer documents accurately and to submit them by the relevant deadlines. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and/or the General Meeting and the Form of Election, any such Beneficial Owner should comply with the requirements of such Registered Owner.

The appointment of a proxy by the Registered Owner at the relevant Court Meeting and/or the General Meeting shall be in accordance with all relevant provisions in the Articles of Association.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and before the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the General Meeting will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof should he/she/it so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

3. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE DEPOSITED IN CCASS

If you are a Beneficial Owner whose Share(s) are deposited in CCASS and registered under the name of HKSCC Nominees, you must, unless you are a CCASS Investor Participant:

- (a) contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS Participant, regarding voting instructions to be given to such other CCASS Participants if you wish to vote at the Court Meeting and/or at the General Meeting or regarding the election of the Cash Alternative or the Scrip Alternative. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for the lodgement of forms of proxy in respect of the Court Meeting and/or the General Meeting and the Form of Election, in order to provide such person with sufficient time to provide HKSCC Nominees with instructions or make arrangements with HKSCC Nominees in relation to the manner in which the Share(s) beneficially owned by you should be voted at the Court Meeting and/or the General Meeting or to elect for the Cash Alternative or the Scrip Alternative by the Election Time; or
- (b) become a Shareholder of record and thereby have the right to attend and vote at the Court Meeting and/or the General Meeting (as appropriate) by withdrawing any or all of your Share(s) from CCASS and becoming a Registered Owner of such Share(s). For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Share(s) are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Share(s) into your name so as to qualify to attend and vote at the Court Meeting and/or the General Meeting or the latest time for lodging the Form of Election, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Share(s) from CCASS and register them in your name.

The procedures for voting in respect of the Scheme and the election of the Cash Alternative or the Scrip Alternative by the CCASS Investor Participants and the other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the “Operating Guide for Investor Participants”, the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

4. EXERCISE YOUR RIGHT TO VOTE

If you are a Shareholder or a Beneficial Owner, you are strongly encouraged to exercise your right to vote or give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and/or the General Meeting.

If you are a Registered Owner holding Share(s) on behalf of one or more Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote.

If you keep any Share(s) in a share lending programme, you are encouraged to recall any outstanding Shares on loan to avoid market participants using borrowed stock to vote.

If you are a Beneficial Owner whose Share(s) are deposited in CCASS, you are strongly encouraged to provide your broker, custodian, nominee or other relevant person without delay with instructions or make arrangements with HKSCC Nominees in relation to the manner in which those Share(s) should be voted at the Court Meeting and/or at the General Meeting, and/or withdraw some or all of your Share(s) from CCASS and become a Registered Owner of such Shares and exercise your right to vote (in person or by proxy) at the Court Meeting and/or the General Meeting.

5. MAKE YOUR ELECTION

Whether or not you will exercise your right to vote, you should complete and return the Form of Election by the Election Time.

You should consult your broker, custodian, nominee or other relevant person as soon as possible as to the timing and procedures for the election of the Cash Alternative or the Scrip Alternative. They may set a timeline which may be earlier than the Election Time to allow them sufficient time to submit the election to HKSCC Nominees by the deadline set by HKSCC Nominees.

IF APPROVED, THE PROPOSAL WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING AND/OR THE GENERAL MEETING.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable. Unless otherwise specified, all times and dates refer to Hong Kong local dates and times.

Hong Kong time

Despatch of this Scheme Document Wednesday, 23 July 2025

Latest time for lodging transfers of Shares
in order to become entitled to attend and
vote at the Court Meeting and the General Meeting 4:30 p.m. on
Wednesday, 13 August 2025

Register closed for determining entitlements of
the Scheme Shareholders to attend and vote at
the Court Meeting and entitlements of the Shareholders
to attend and vote at the General Meeting (*Note 1*) Thursday, 14 August 2025 to
Wednesday, 20 August 2025
(both dates inclusive)

Latest time for lodging **PINK** forms of proxy
in respect of the Court Meeting (*Note 2*) 10:45 a.m. on
Monday, 18 August 2025

Latest time for lodging **WHITE** forms of proxy
in respect of the General Meeting (*Note 2*) 11:15 a.m. on
Monday, 18 August 2025

Meeting Record Date Wednesday, 20 August 2025

Court Meeting (*Note 3*) 10:45 a.m. on
Wednesday, 20 August 2025

General Meeting (*Note 3*) 11:15 a.m. on
Wednesday, 20 August 2025
(or, if later, immediately after the conclusion or
adjournment of the Court Meeting)

Announcement of the results of the Court Meeting
and the General meeting no later than 7:00 p.m. on
Wednesday, 20 August 2025

Expected last time for trading of the Shares on
the Hong Kong Stock Exchange 4:10 p.m. on
Friday, 22 August 2025

Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme and the Distribution	4:30 p.m. on Wednesday, 27 August 2025
Closure of the Register for determining the entitlements of the Scheme Shareholders and the Shareholders to receive the Scheme Consideration and the Distribution respectively under the Proposal (<i>Note 5</i>).....	from Thursday, 28 August 2025 onwards
Scheme Record Date	Thursday, 28 August 2025
Latest time for lodging the BLUE Form of Election (<i>Note 4</i>).....	4:30 p.m. on Wednesday, 10 September 2025
Court Hearing.....	10:00 a.m. on Friday, 19 September 2025
Announcement of (1) the results of the Court Hearing; (2) the expected Effective Date; and (3) the expected date of withdrawal of the listing of the Shares from the Hong Kong Stock Exchange.....	Friday, 19 September 2025
Effective Date (<i>Note 6</i>).....	Tuesday, 23 September 2025
Announcement of (1) the Effective Date; and (2) the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange	Tuesday, 23 September 2025
Expected withdrawal of the listing of the Shares from the Hong Kong Stock Exchange becomes effective (<i>Note 7</i>).....	4:00 p.m. on Thursday, 25 September 2025
Latest time to despatch cheques for cash payment of the Scheme Consideration to the Scheme Shareholders and the Cash Alternative Amount to Shareholders; and to despatch share certificates of the Scrip Alternative Shares to the Shareholders (<i>Notes 8 and 9</i>)	on or before Friday, 3 October 2025

Notes:

1. The Register will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the General Meeting. This book closure period is not for determining the entitlements to the Distribution under the Scheme.
2. Forms of proxy should be deposited at the office of the Share Registrar at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event no later than the respective times and dates stated above. In the case of the **PINK** form of proxy in respect of the Court Meeting, it may also be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it). If the **WHITE** form of proxy is not lodged at least 48 hours before the time appointed for the General Meeting, it will not be valid. The completion and return of a form of proxy for the Court Meeting or the General Meeting will not preclude a Shareholder from attending and voting at the relevant meeting or any adjournment thereof in person. In such event, the relevant form of proxy will be revoked by operation of law.
3. The Court Meeting and the General Meeting will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong at the times and dates specified above. Please refer to the notice of Court Meeting set out in Appendix VII to this Scheme Document and the notice of General Meeting set out in Appendix VIII to this Scheme Document for details. If a tropical cyclone warning signal number 8 or above is or is expected to be hoisted or a black rainstorm warning signal or “extreme conditions” as announced by the Government of Hong Kong is or is expected to be in force at any time after 8:30 a.m. on the date of the Court Meeting and the General Meeting, the Court Meeting and the General Meeting may be adjourned. The Company will issue an announcement on the respective websites of the Hong Kong Stock Exchange and the Company to notify Shareholders of the date, time and venue of the rescheduled meetings.
4. The **BLUE** Form of Election, duly completed in accordance with the instructions on them, must be lodged at the office of the Share Registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than the Election Time, being 4:30 p.m. on Wednesday, 10 September 2025 (or such later date as may be notified by way of joint announcement by the Offeror and the Company on the websites of the Hong Kong Stock Exchange and the Company).
5. The Register will be closed during such period for the purpose of determining the Scheme Shareholders and the Shareholders who are qualified for entitlements under the Scheme and the Distribution.
6. The Scheme will become effective upon the fulfilment or waiver (as applicable) of all of the Conditions to the Proposal as set out in the section headed “3. Conditions to the Proposal” in “Part VIII — Explanatory Memorandum” of this Scheme Document.
7. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Hong Kong Stock Exchange will be withdrawn at 4:00 p.m. on Thursday, 25 September 2025.
8. In the absence of any specific instructions to the contrary received in writing by the Share Registrar at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong before Wednesday, 10 September 2025, cheques for payment of the Scheme Consideration to the Scheme Shareholders and the Cash Alternative Amount to Shareholders will be despatched no later than seven (7) business days (as defined in the Takeovers Code) following the Effective Date by ordinary post in postage pre-paid envelopes addressed to the person(s) entitled thereto at their respective addresses as appearing on the Register as at the Scheme Record Date or, in the case of joint holders, at the address appearing on the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.

Cheques shall be posted at the risk of the person(s) entitled thereto and none of the Offeror, the Company, the Financial Adviser, the Independent Financial Adviser and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.

9. If any severe weather condition is (a) in effect in Hong Kong at any local time before 12:00 noon but no longer in force at or after 12:00 noon on Friday, 3 October 2025, the latest date to despatch cheques for cash payment of the Scheme Consideration to the Scheme Shareholders and the Cash Alternative Amount to Shareholders will remain on the same business day; or (b) in effect at 12:00 noon and/or thereafter on Friday, 3 October 2025, the latest time to despatch cheques for cash payment of the Scheme Consideration to the Scheme Shareholders and the Cash Alternative Amount to Shareholders may be postponed to the next business day (that does not have any severe weather condition at 12:00 noon or thereafter), i.e. Monday, 6 October 2025 (or a later date that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of this document, “severe weather” refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, a black rainstorm warning and/or the “extreme conditions” warning as announced by the Hong Kong government is/are in force in Hong Kong. Further announcement(s) will be made if there is any change to the expected timetable as a result of any severe weather.



LIPPO LIMITED
力寶有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 226)

Executive Directors:

Dr. Stephen Riady (*Chairman*)
Mr. John Luen Wai Lee, BBS, JP (*Deputy Chairman*)
Mr. Davy Kwok Fai Lee (*Chief Executive Officer*)
Mr. Brian Riady

Registered Office:

40th Floor Tower Two
Lippo Centre
89 Queensway
Hong Kong

Non-executive Directors:

Mr. Jark Pui Lee, SBS, OBE, JP
Mr. Leon Nim Leung Chan

Independent Non-executive Directors:

Mr. King Fai Tsui
Mr. Victor Ha Kuk Yung
Ms. Min Yen Goh

23 July 2025

To the Shareholders

Dear Sir or Madam,

**(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) 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**

1. INTRODUCTION

On 28 May 2025, the Offeror and the Company jointly announced that on 16 May 2025 the Offeror requested the Board to put forward to the Shareholders the Proposal which comprises (i) 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 (ii) 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 on the Scheme Record Date. Shareholders will be able to receive their entitlements under the Distribution either in scrip form or in cash form.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal, and to give you notices of the Court Meeting and the General Meeting, together with the forms of proxy in relation thereto. Your attention is also drawn to (i) the “Letter from the Independent Board Committee” as set out in Part VI of this Scheme Document; (ii) the “Letter from the Independent Financial Adviser” as set out in Part VII of this Scheme Document; (iii) the “Explanatory Memorandum” as set out in Part VIII of this Scheme Document; and (iv) the terms of the Scheme as set out in Appendix VI to this Scheme Document.

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.

Scheme Consideration

Under the Proposal, if the Scheme is approved and implemented, the Scheme Shares will be cancelled and, in consideration therefor, each Scheme Shareholder as at the Scheme Record Date will be entitled to receive the Scheme Consideration of HK\$0.14 in cash for each Scheme Share cancelled.

In compliance with Rule 20.1(a) of the Takeovers Code, upon the Scheme becoming effective, the Scheme Consideration of HK\$0.14 per Scheme Share will be paid to the Scheme Shareholders whose names appear on the Register on the Scheme Record Date as soon as possible but in any event no later than seven (7) business days (as defined in the Takeovers Code) following the Effective Date.

Settlement of the Scheme Consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Scheme Shareholder.

Your attention is drawn to the section headed “2. Terms of the Proposal — The Scheme” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

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 the Shareholders whose names appear on the Register on the Scheme Record Date.

The Board, recognising that the Distribution is an integral part of the Proposal, has declared 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 such number of LCR Shares calculated based on 615 LCR Shares for every 1,000 Shares held by the Shareholder, rounded down to the nearest whole number (the “**Scrip Alternative Shares**”); or
- in cash form (the “**Cash Alternative**”), an amount of HK\$0.564 per Share (the “**Cash Alternative Amount**”).

The Cash Alternative Amount is determined by multiplying the VWAP per LCR Share for the last 3 months ended on and including the Last Trading Date of HK\$0.9167 by the ratio of 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 confirmed that it will elect to receive the Scrip Alternative under the Distribution in respect of all of its Shares.

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 no later than seven (7) business days (as defined in the Takeovers Code) following the Effective Date.

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.

Your attention is drawn to the section headed “2. Terms of the Proposal — The Distribution” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

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 Cash Alternative Amount) (but not a combination of both).

As the Distribution is conditional on the satisfaction of the Distribution Conditions, which include 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 Conditions have 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 no later than 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.

Those Scheme Shareholders electing to receive the Cash Alternative will be entitled to receive the Total Cash Entitlement of HK\$0.704 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” in “Part VIII — Explanatory Memorandum” of this Scheme Document, rounded down to the nearest two decimal places.

Those Scheme Shareholders, other than the Non-Qualifying 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) on the basis of 615 LCR Shares for every 1,000 Shares held by the Scheme Shareholders, rounded down to the nearest whole number.

Arrangement for Non-Qualifying Shareholders

As the Scrip Alternative under the Distribution will not be extended to the Non-Qualifying Shareholders, the Non-Qualifying Shareholders will not be able to elect to receive their entitlements under the Distribution in scrip form (as Scrip Alternative Shares). Subject to the Scheme being approved and implemented and the Distribution Conditions being satisfied, the Non-Qualifying Shareholders will automatically receive the Scheme Consideration and Cash Alternative Amount.

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.

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.

Highest and lowest prices

Your attention is drawn to the section headed “2. Terms of the Proposal — Highest and lowest prices” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

3. CONDITIONS TO THE PROPOSAL

The Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the Scheme Conditions set out in the section headed “3. Conditions to the Proposal — Conditions to the Scheme” in “Part VIII — Explanatory Memorandum” of this Scheme Document are fulfilled or waived (as applicable).

The Distribution will be subject to satisfaction of the Distribution Conditions set out in the section headed “3. Conditions to the Proposal — Conditions to the Distribution” in “Part VIII — Explanatory Memorandum” of this Scheme Document. 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 will lapse.

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

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

Your attention is drawn to the section headed “4. Confirmation of Financial Resources” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

5. SHAREHOLDING STRUCTURE OF THE COMPANY

Your attention is drawn to the section headed “6. Shareholding Structure of the Company” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

6. INFORMATION ON THE COMPANY

Your attention is drawn to the section headed “7. Information on the Company” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

7. INFORMATION ON LCR

Your attention is drawn to the section headed “8. Information on LCR” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

8. INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “9. Information on the Offeror” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

9. 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 Proposal (including the Scheme and the Distribution) is, or is 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 (including the Scheme and the Distribution) at the General Meeting. None of them have any relationship with the Offeror and its ultimate beneficial owners. As at the Latest Practicable Date, Mr. Jark Pui Lee is interested in, through the interest of his spouse, 8 Shares, representing approximately 0.00% of the total issued Shares.

The Board, with the approval of the Independent Board Committee, has appointed Somerley Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal (including the Scheme and the Distribution) pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the Proposal (including the Scheme and the Distribution) is fair and reasonable so far as the Disinterested Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend to the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal (including the Scheme and the Distribution).

The full text of the letter from the Independent Financial Adviser is set out in Part VII of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the Proposal (including the Scheme and the Distribution) is fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal (including the Scheme and the Distribution).

The full text of the letter from the Independent Board Committee in relation to its recommendations with respect to the Proposal (including the Scheme and the Distribution) is set out in Part VI of this Scheme Document.

10. REASONS FOR AND BENEFITS OF THE PROPOSAL

Your attention is drawn to the section headed “13. Reasons for and Benefits of the Proposal” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

11. INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

Your attention is drawn to the section headed “10. Intention of the Offeror with regard to the Group” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

The Board is pleased to note that, as at the Latest Practicable Date, the Offeror intends to continue with the existing businesses of the Group and does not intend to introduce significant changes to the existing operations. The Offeror does not have any plan to make any material change to:

- (a) the existing principal businesses of the Group, including any major redeployment of the fixed assets of the Group; or
- (b) the continued employment of the employees of the Group (other than in the ordinary course of business),

as a result of the implementation of the Proposal (including the Scheme and the Distribution).

The Board is also pleased to note that, after completion of the Proposal, the Offeror will continue to monitor all business opportunities as they arise from time to time. The Offeror intends for the Company to withdraw the listing of the Shares on the Hong Kong Stock Exchange upon the Scheme being effective.

12. ACTIONS TO BE TAKEN

Your attention is drawn to “Part III — Actions to be Taken” of this Scheme Document.

13. COURT MEETING AND GENERAL MEETING

In accordance with the directions of the High Court, the Court Meeting will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 August 2025 at 10:45 a.m. The General Meeting will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 August 2025 at 11:15 a.m. (or, if later, as soon thereafter as the Court Meeting shall have been concluded or adjourned).

For the purpose of exercising your right to vote at the Court Meeting and/or the General Meeting, you are requested to read carefully the section headed “15. Court Meeting and General Meeting” in “Part VIII — Explanatory Memorandum” of this Scheme Document, “Part III — Actions to be Taken” of this Scheme Document, the “Notice of Court Meeting” in Appendix VII to this Scheme Document and the “Notice of General Meeting” in Appendix VIII to this Scheme Document.

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

As at the Latest Practicable Date, the Offeror does not legally and/or beneficially own, control or have direction over any Shares.

As at the Latest Practicable Date, Lippo Capital was 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 Latest Practicable Date, 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.

As at the Latest Practicable Date, Mr. John Luen Wai Lee, being a Director and a Disinterested Shareholder, intends to accept and vote for the Scheme at the Court Meeting and the relevant resolutions to be proposed at the General 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.

Hybrid meeting arrangement

The Court Meeting and the General Meeting will be in the form of a hybrid meeting. In addition to the traditional physical attendance at the Court Meeting and the General Meeting, the Overseas Scheme Shareholders (in the case of the Court Meeting) or the Overseas Shareholders (in the case of the General Meeting) as at the Meeting Record Date have the option of attending, participating and voting in the Court Meeting and/or the General Meeting (as the case may be) through online access by visiting the website at <https://evoting.vistra.com/#/227> and <https://evoting.vistra.com/#/226>, respectively (the “**eVoting Portal**”).

Overseas Scheme Shareholders as at the Meeting Record Date participating in the Court Meeting and Overseas Shareholders as at the Meeting Record Date participating in the General Meeting using the eVoting Portal will also be counted towards the quorum and will also be able to cast their votes, and submit questions and comments relevant to the proposed resolutions through the eVoting Portal. Overseas Scheme Shareholders and Overseas Shareholders choosing physical attendance at the Court Meeting and/or the General Meeting should not access the eVoting Portal to exercise their voting rights and should use the physical voting papers provided thereat to cast your votes at the Court Meeting or the General Meeting (as the case may be).

Please note that the choice of physical attendance or online attendance through the eVoting Portal would not affect the right of the Overseas Scheme Shareholders and the Overseas Shareholders to appoint the Chairman of the Court Meeting and the Chairman of the General Meeting, respectively, as your proxy to exercise your voting rights at the Court Meeting or the General Meeting (as the case may be). However, in the event that you choose to attend the physical Court Meeting or physical General Meeting (as the case may be) or use the eVoting Portal and vote at the relevant meeting after having lodged your proxy forms, the returned proxy forms shall be deemed to have been revoked by operation of law.

For further details on the hybrid court meeting arrangements for the Overseas Scheme Shareholders and the Overseas Shareholders, please refer to the notes to the notice of Court Meeting and notice of the General Meeting.

For enquiries in respect of the above arrangement, please contact the Share Registrar in person, by phone or online form, contact details of which are as follows:

Tricor Investor Services Limited

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

email: is-enquiries@vistra.com

Telephone: (852) 2980 1333 during business hours (from 9:00 a.m. to 5:00 p.m., from Monday to Friday, excluding Hong Kong public holidays)

14. WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares cancelled and extinguished will thereafter cease to have effect as evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately from 4:00 p.m. on Thursday, 25 September 2025 subject to the Scheme becoming effective.

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.

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, no Scheme Shares will be cancelled or extinguished, the shareholding structure of the Company as at the Latest Practicable Date will not change (assuming that there is no other change in the shareholding structure of the Company from the Latest Practicable Date up to the date on which the Scheme is not approved or the Proposal lapses) as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules.

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. REGISTRATION AND PAYMENT

Your attention is drawn to the section headed “18. Registration and Payment” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

17. OVERSEAS SCHEME SHAREHOLDERS

Your attention is drawn to the section headed “19. Overseas Scheme Shareholders” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

18. TAXATION ADVICE

Your attention is drawn to the section headed “20. Taxation Advice” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

19. COSTS OF THE SCHEME

Your attention is drawn to the section headed “21. Costs of the Scheme” in “Part VIII — Explanatory Memorandum” of this Scheme Document.

20. GENERAL

Dr. Stephen Riady, Mr. Brian Riady and Mr. Davy Kwok Fai Lee, each of whom is an executive Director, are members of the Offeror Concert Parties and are considered to be interested in the Proposal and therefore they have not participated, and will abstain from voting, in any vote of the Board in relation to the Proposal (including the Scheme and the Distribution).

The Directors (including members of the Independent Board Committee whose views are set out in the “Letter from the Independent Board Committee” in Part VI of this Scheme Document) believe that the Proposal (including the Scheme and the Distribution) is fair and reasonable so far as the Disinterested Shareholders are concerned.

21. RECOMMENDATIONS

Your attention is drawn to the recommendations of the Independent Board Committee in respect of the Proposal as set out in the “Letter from the Independent Board Committee” to the Disinterested Shareholders in Part VI of this Scheme Document.

Your attention is also drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal (including the Scheme and the Distribution) as set out in the “Letter from the Independent Financial Adviser” in Part VII of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal (including the Scheme and the Distribution).

22. FURTHER INFORMATION

You are urged to read carefully:

- (a) the “Letter from the Independent Board Committee” to the Disinterested Shareholders as set out in Part VI of this Scheme Document;
- (b) the “Letter from the Independent Financial Adviser” to the Independent Board Committee as set out in Part VII of this Scheme Document;
- (c) the “Explanatory Memorandum” as set out in Part VIII of this Scheme Document;
- (d) the “Independent Reporting Accountants’ Assurance Report on the Compilation of Pro Forma Financial Information” as set out in Appendix V to this Scheme Document;
- (e) the appendices of this Scheme Document, including the Scheme as set out in Appendix VI to this Scheme Document;
- (f) the “Notice of Court Meeting” as set out in Appendix VII to this Scheme Document; and
- (g) the “Notice of the General Meeting” as set out in Appendix VIII to this Scheme Document.

In addition, a **PINK** form of proxy in respect of the Court Meeting and a **WHITE** form of proxy in respect of the General Meeting are enclosed with this Scheme Document.

Yours faithfully,
By Order of the Board
Lippo Limited
John Luen Wai Lee
Deputy Chairman

**LIPPO LIMITED**
力寶有限公司*(Incorporated in Hong Kong with limited liability)***(Stock Code: 226)***Members of the Independent Board Committee:*

Mr. Leon Nim Leung Chan
Mr. Jark Pui Lee, SBS, OBE, JP
Mr. King Fai Tsui
Mr. Victor Ha Kuk Yung
Ms. Min Yen Goh

Registered Office:

40th Floor, Tower Two
Lippo Centre
89 Queensway
Hong Kong

23 July 2025

To the Disinterested Shareholders

Dear Sir or Madam,

**(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) 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**

We refer to the scheme document (the “**Scheme Document**”) dated 23 July 2025 jointly issued by the Company and the Offeror in relation to the Proposal, of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as given to them in the Scheme Document.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Disinterested Shareholders as to: (i) whether the Proposal (including the Scheme and the Distribution) is, or is 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 (including the Scheme and the Distribution) at the General Meeting.

Somerley Capital Limited, the Independent Financial Adviser, has been appointed by the Company with our approval, to advise us in respect of the Proposal (including the Scheme and the Distribution).

We wish to draw your attention to (a) the “Letter from the Board” as set out in Part V of the Scheme Document; (b) the “Letter from the Independent Financial Adviser” as set out in Part VII of the Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendations; and (c) the “Explanatory Memorandum” as set out in Part VIII of the Scheme Document.

We, having considered the Proposal, and having taken into account the advice and recommendation of the Independent Financial Adviser to us, and in particular the factors, reasons and recommendations as set out in the Independent Financial Adviser’s letter, consider that the Proposal (including the Scheme and the Distribution) is fair and reasonable so far as the Disinterested Shareholders are concerned.

Accordingly, the Independent Board Committee recommends:

- (1) at the Court Meeting, the Disinterested Shareholders to vote in favour of the resolution to approve the Scheme; and
- (2) at the General Meeting, the Shareholders to vote in favour of (i) the special resolution 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 and extinguished; and (ii) the ordinary resolution to approve the Distribution.

Those Scheme Shareholders who particularly value liquidity should consider electing the Cash Alternative. The Cash Alternative provides a good opportunity for the Scheme Shareholders to realise their investments for cash at an attractive premium over existing market price of the Shares when the trading liquidity in the Shares has been low in the past years as discussed in the letter from the Independent Financial Adviser. 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. Those Scheme Shareholders who prefer to stay with the potential prospects and substantial net assets base of LCR, and consider the discount to net assets is an important factor, may consider electing the Scrip Alternative. However, it should be noted that the LCR Shares have also not been actively traded in the past. Please refer to the letter from the Independent Financial Adviser for further details.

Yours faithfully,
Independent Board Committee

Mr. Leon Nim	Mr. Jark Pui Lee,	Mr. King Fai	Mr. Victor	Ms. Min Yen Goh
Leung Chan	SBS, OBE, JP	Tsui	Ha Kuk Yung	<i>Independent</i>
<i>Non-executive</i>	<i>Non-executive</i>	<i>Independent</i>	<i>Independent</i>	<i>Non-executive</i>
<i>Director</i>	<i>Director</i>	<i>Non-executive</i>	<i>Non-executive</i>	<i>Director</i>
		<i>Director</i>	<i>Director</i>	

Set out below is the letter of advice from the Independent Financial Adviser, Somerley Capital Limited, to the Independent Board Committee, which has been prepared for the purpose of inclusion in this Scheme Document.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

23 July 2025

To: the Independent Board Committee

Dear Sirs,

**(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) CONDITIONAL SPECIAL DISTRIBUTION
BY WAY OF DISTRIBUTION IN SPECIE BY LIPPO LIMITED OF
ORDINARY SHARES IN LIPPO CHINA RESOURCES LIMITED
AND
(3) PROPOSED WITHDRAWAL OF LISTING OF
LIPPO LIMITED**

I. INTRODUCTION

We refer to our appointment to advise the Independent Board Committee in connection with the Proposal (including the Scheme and the Distribution). Details of the Proposal are set out in the Scheme Document dated 23 July 2025, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context otherwise requires.

As disclosed in the Announcement, the Offeror and the Company jointly announced that on 16 May 2025, the Offeror requested the Board to put forward to the Shareholders the Proposal which comprises the privatisation of the Company by way of a scheme of arrangement under Section 673 of the Companies Ordinance at the Scheme Consideration of HK\$0.14 per Scheme Share in cash and, conditional upon satisfaction of the Distribution Conditions, the Distribution by the Company to Shareholders whose names appear on the Register on the Scheme Record Date, representing a special distribution 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). According to the announcement of the Company dated 9 May 2025, the Board proposed a capital reduction of approximately HK\$934 million (the “**Capital**

Reduction”) to partially set-off against the accumulated losses resulting from a provision made by the Company in its financial statement for its subsidiaries due to the HKC Share Distribution announced on 27 December 2024 and completed in January 2025. The Capital Reduction was approved at the Company’s annual general meeting held on 23 June 2025.

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 under the Scrip Alternative; or
- in cash form under the Cash Alternative.

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 Proposal (including the Scheme and the Distribution) is, or is not, fair and reasonable; and (ii) whether to vote in favour of (a) the resolution to approve the Scheme at the Court Meeting; (b) the special resolution to approve and give effect to the Scheme and the ordinary resolution to approve the Distribution at the General Meeting. None of them have any relationship with the Offeror and its ultimate beneficial owners. As at the Latest Practicable Date, Mr. Jark Pui Lee was interested in, through the interest of his spouse, 8 Shares of the Company. The Independent Board Committee has approved our appointment as the Independent Financial Adviser to advise them in this regard.

As at the Latest Practicable Date, Hongkong China Treasury Limited, a wholly-owned subsidiary of LCR, held 400,000 shares in Somerley Capital Holdings Ltd. (stock code: 8439) (“SCHL”), the holding company of Somerley Capital Limited, representing approximately 0.27% of the issued share capital of SCHL with market value of approximately HK\$158,000. Save for the aforesaid, we are not associated with the Company, the Offeror or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Proposal. Somerley Capital Limited has not served as a financial adviser to (i) the Company or its subsidiaries; (ii) the Offeror or its subsidiaries; or (iii) a core connected person (as defined in the Listing Rules) of the Company or the Offeror, within 2 years prior to the IFA Obligation Commencement Time as defined under Rule 13.84 of the Listing Rules. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Offeror or any party acting, or presumed to be acting, in concert with any of them.

In formulating our opinion, we have reviewed, among other things, (i) the Scheme Document; (ii) published information of the Group, including the annual reports of the Company and LCR for the year ended 31 December 2024; (iii) the Pro Forma Statement of Adjusted NAV; and (iv) the assurance report from the independent reporting accountants on the compilation of the pro forma financial information. We have relied on the information and facts supplied by the Company and the opinions expressed by the Directors, and have assumed that the information and facts provided and opinions expressed to us are true, accurate and

complete in all material aspects as at the Latest Practicable Date. Shareholders will be informed as soon as possible if we become aware of any material change to such representations or our opinion before the time of the Court Meeting and the General Meeting. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us which would render any statement in this letter misleading. We consider that the information we have received is sufficient for us to reach our opinion and give the advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group, the Offeror or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them; nor have we carried out any independent verification of the information supplied.

We have not considered the tax and regulatory implications on the Disinterested Shareholders of voting for or against the Proposal (including the Scheme and the Distribution), as the case may be, since these are particular to their individual circumstances. In particular, Disinterested Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on security dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers. Overseas Shareholders are advised to pay attention to the section headed “19. OVERSEAS SCHEME SHAREHOLDERS” in Part VIII — Explanatory Memorandum to the Scheme Document.

II. PRINCIPAL 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. The Scheme Consideration is 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 on the Scheme Record Date.

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):

- scrip form under the Scrip Alternative, through receipt of such number of LCR Shares calculated based on 615 LCR Shares for every 1,000 Shares held by the Shareholder, rounded down to the nearest whole number (i.e. the Scrip Alternative Shares); or

PART VII LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- cash form under the Cash Alternative, an amount of HK\$0.564 per Share (i.e. the Cash Alternative Amount).

The Cash Alternative Amount of HK\$0.564 per Share is determined by multiplying the VWAP per LCR Share for the last 3 months ended on and including 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 Scheme Shareholder will only be entitled to irrevocably elect to receive their entitlements under the Distribution either in scrip form under the Scrip Alternative or in cash form under the Cash Alternative (but not a combination of both) for all of his, her or its Shares. Shareholders who do not make an election will be deemed to have elected to receive the Cash Alternative in respect of all of his, her or its Shares. Lippo Capital confirmed that it will elect to receive the Scrip Alternative under the Distribution in respect of all its Shares.

As the Scrip Alternative under the Distribution will not be extended to the Non-Qualifying Shareholders, the Non-Qualifying Shareholders will not be able to elect to receive their entitlements under the Distribution in scrip form (as Scrip Alternative Shares). Subject to the Scheme being approved and implemented and the Distribution Conditions being satisfied, the Non-Qualifying Shareholders will automatically receive the Scheme Consideration and Cash Alternative Amount. Further details are stated in the section headed “19. OVERSEAS SCHEME SHAREHOLDERS” in Part VIII — Explanatory Memorandum to the Scheme Document.

Total entitlements under the Proposal

Under the Proposal, the Scheme Shareholders will be able to receive the Scheme Consideration together with their entitlements under the Distribution as summarised below:

Scrip Alternative	Scheme Consideration (HK\$0.14 per Scheme Share) + Scrip Alternative Shares (615 LCR Shares per 1,000 Shares)
Cash Alternative	Total Cash Entitlement of HK\$0.704 per Scheme Share (equivalent to the sum of (i) Scheme Consideration of HK\$0.14 per Scheme Share; and (ii) Cash Alternative Amount of HK\$0.564 per Share)

The amount of the Scheme Consideration 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 Scrip Alternative Shares or the Cash Alternative Amount. If a Shareholder elects to receive the Cash Alternative, the amount of the Cash Alternative Amount is fixed at HK\$0.564 per Scheme Share (based on the ratio of the Scrip Alternative of 615 LCR

Shares for every 1,000 Shares multiplied by the VWAP per LCR Share of HK\$0.9167), whereas if a Shareholder elects to receive the Scrip Alternative, the value of the Scrip Alternative Share will change from time to time depending on the market price of the LCR Shares. 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 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 for every 1,000 Shares held as at the Scheme Record Date.

Conditions to the Proposal

The Scheme

The Scheme will only become binding and effective on the Company and all of the Scheme Shareholders if the Scheme Conditions are fulfilled or waived (as applicable). The Scheme Conditions include, among other conditions:

- (i) 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;
- (ii) 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;

- (iii) 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;
- (iv) The Capital Reduction by the Company having been completed to enable it to have sufficient distributable reserves to make the Distribution, details of which have 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
- (v) The approval of the Distribution (by way of poll) by at least a majority of the votes attaching to the Shares held by the Shareholders that are voted either in person or by proxy at the General Meeting.

Further details of the Scheme Conditions are set out in the section headed “3. CONDITIONS TO THE PROPOSAL” in Part VIII — Explanatory Memorandum to the Scheme Document.

All of the Scheme Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal (including the Scheme and the Distribution) will lapse. 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.

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 Latest Practicable Date, save for the Scheme Condition in paragraph (j) in relation to material adverse change as set out in the abovementioned section in the Scheme Document which has been waived by the Offeror, none of the Scheme Conditions have been fulfilled or waived. Such waiver mechanism enhances the deal certainty while ensuring the Proposal or its implementation being legally binding. On this basis, we consider the interests of the Disinterested Shareholders and the Company as a whole will not be adversely affected.

There are approximately 123.4 million Disinterested Shares so that if the voting rights attaching to more than approximately 12.34 million Disinterested Shares are voted against the resolution to approve the Scheme in the Court Meeting, the Proposal (including the Scheme and the Distribution) will lapse pursuant to Scheme Condition (i) above.

The Distribution

The Distribution will be subject to satisfaction of the Distribution Conditions, which include:

- (i) The Capital Reduction by the Company having been completed to enable it to have sufficient distributable reserves to make the Distribution, details of which have been set out in the announcement made by the Company on 9 May 2025 and in the circular of the Company dated 23 May 2025;
- (ii) The approval of the Distribution (by way of poll) by at least a majority of the votes attaching to the Shares held by the Shareholders that are voted either in person or by proxy at the General Meeting; and
- (iii) The Scheme having become binding and effective in accordance with its terms and conditions.

Details of the Distribution Conditions are set out in the section headed “3. CONDITIONS TO THE PROPOSAL” in Part VIII — Explanatory Memorandum to the Scheme Document.

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 (including the Scheme and the Distribution) will lapse.

As at the Latest Practicable Date, none of the Distribution Conditions have been fulfilled.

Under the Proposal, there will not be a situation where the Scheme Shareholders will only receive the Scheme Consideration but not their entitlements under the Distribution (either cash or scrip), and vice versa. The addition of the Scheme Condition and Distribution Condition regarding the approval of the Distribution at the General Meeting further reinforces the structure of the Proposal, ensuring that the Scheme and the Distribution will be executed as intended as a package. Lippo Capital has irrevocably undertaken to vote in favour of the ordinary resolution to approve the Distribution at the General Meeting. Given Lippo Capital’s approximately 74.98% shareholding in the Company as at the Latest Practicable Date, the resolution would have been duly passed with the abovementioned undertaking. On this basis, we consider the interests of the Disinterested Shareholders and the Company as a whole will not be adversely affected by the addition of the Scheme Condition and Distribution Condition in relation to the approval of the Distribution at the General Meeting.

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.

The Company will make an application for the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange with effect immediately from 4:00 p.m. on Thursday, 25 September 2025 subject to the Scheme becoming effective.

III. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Proposal, we have taken into account the following principal factors and reasons:

1. Information of the Group, LCR and the Offeror

The Company is incorporated in Hong Kong with limited liability whose Shares have been listed on the Main Board of the Hong Kong Stock Exchange under the stock code: 226. The principal business activity of the Company is investment holding. The Group, through its subsidiaries, associates, joint ventures and joint operation, has principally been engaging in investment holding, property investment, property development, food businesses, healthcare services, property management, mineral exploration and extraction, securities investment and treasury investment.

The Company has historically relied on upstream dividend income 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). Based on the borrowings of the Company of HK\$790 million and the Adjusted NAV after the Distribution of the Group of approximately HK\$243 million, we consider the gearing ratio of approximately 325.1% is high.

On 27 December 2024, the Company announced the HKC Share Distribution of 2,420 HKC Shares for every 1,000 Shares held by each qualifying shareholder. Approximately 1.19 billion HKC Shares were distributed in total, representing approximately 80.76% of the HKC Shares held by the Group and 59.72% of the total issued shares of HKC. This substantial distribution has significantly decreased the net assets of the Group, as it did a large distribution of assets without any corresponding reduction of the Company's liabilities. Following completion of the HKC Share Distribution in January 2025, the Company has retained approximately 284 million HKC Shares, representing approximately 14.23% of the total issued shares of HKC, which are since then accounted for as financial assets at fair value through other comprehensive income of the Group. HKC has been deconsolidated from the Group's financial statements after the completion of the HKC Share Distribution. Details of the HKC Share Distribution are set out in the announcements of the Company and HKC dated 27 December 2024.

As stated in the Scheme Document, the business activities of the Company are now mainly carried out by LCR, which is reflected by (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 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.

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.

The Offeror is incorporated in the British Virgin Islands. It is an investment holding company and does not hold any material assets or businesses as at the Latest Practicable Date. As at the Latest Practicable Date, the Offeror is a wholly-owned subsidiary of Lippo Capital, which in turn is indirectly legally and beneficially owned by Dr. Stephen Riady, a director of Lippo Capital and an executive director of the Company and LCR, and Mr. James Tjahaja Riady as to 60% and 40% respectively of its total issued share capital.

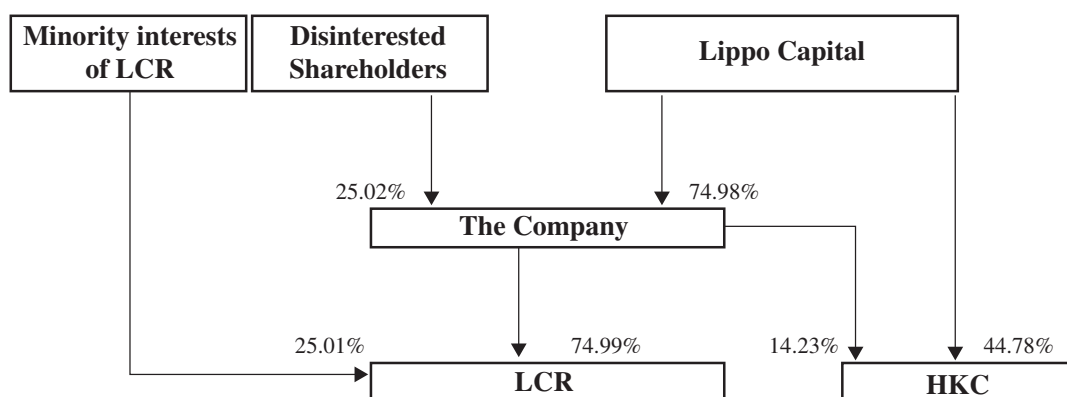
2. The effects of the Proposal

The main effects of the Proposal would be:

- (i) Distribute the Distributable LCR Shares (up to 303,289,730 LCR Shares) that the Company holds through Skyscraper (representing approximately 33.01% of the total issued shares of LCR) to Shareholders whose names appear on the Register on the Scheme Record Date, or the Cash Alternative of HK\$0.564 per Share is provided; and
- (ii) Privatisise the Company on the basis that the Distribution has been completed for the Scheme Consideration of HK\$0.14 per Scheme Share.

The charts below show the simplified structure of the Group as at the Latest Practicable Date and immediately upon the Effective Date, assuming that there will be no other change in the shareholdings of the Company before the Effective Date.

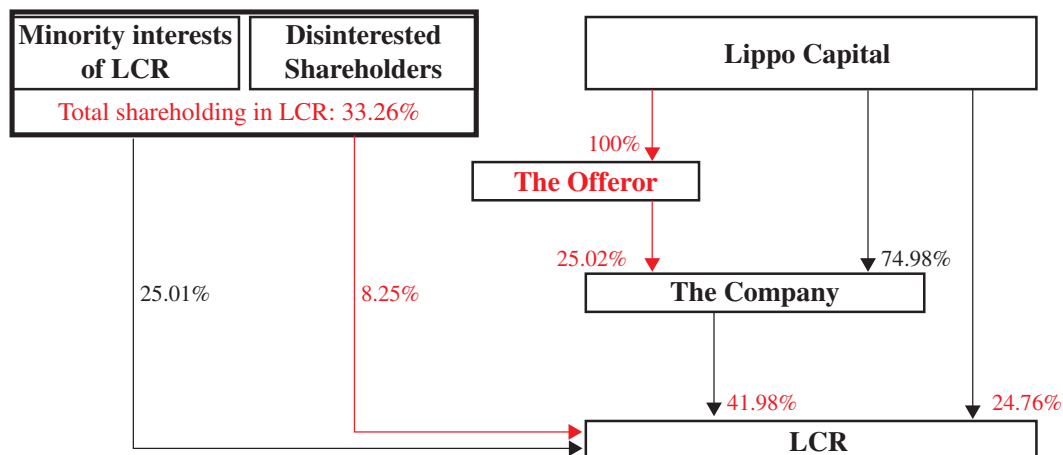
As at the Latest Practicable Date:



Note: The Proposal does not change the shareholdings of HKC, which are excluded from the charts below for simplicity.

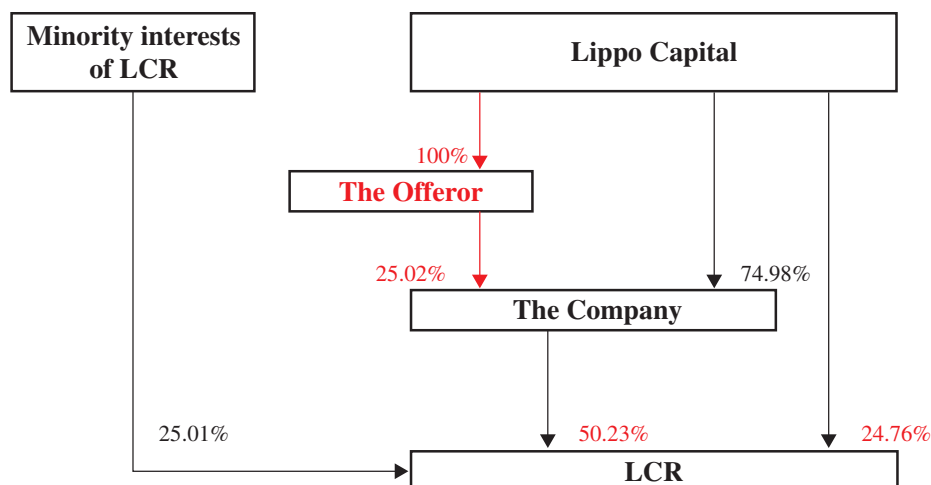
PART VII LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Immediately upon the Effective Date, assuming all Disinterested Shareholders elect the Scrip Alternative:



Note: The main changes are that Lippo Capital and the Offeror will together own 100% of the Company, the Company's holding in LCR will decrease to approximately 41.98%, Lippo Capital will directly hold approximately 24.76% of LCR, and the minority shareholdings of LCR will increase by approximately 8.25 percentage points (to be owned by the Disinterested Shareholders) from the original of approximately 25.01% to 33.26%.

Immediately upon the Effective Date, assuming all Disinterested Shareholders elect the Cash Alternative:



Note: The main changes are that Lippo Capital and the Offeror will together own 100% of the Company, the Company's holding in LCR will decrease to approximately 50.23% and Lippo Capital directly holds approximately 24.76% of LCR. The original minority shareholdings of LCR of approximately 25.01% will remain unchanged.

PART VII	LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
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The table below, based on figures extracted from the Scheme Document, illustrates the adjusted net worth of the Group before the Distribution if the 74.99% LCR Shares held by the Group before the Distribution are valued at market price as at the Last Trading Date and the Latest Practicable Date.

	As at 31 December 2024 (with 74.99% of LCR Shares based on market value as at the Last Trading Date) <i>HK\$' million (approximately)</i>	As at 31 December 2024 (with 74.99% of LCR Shares based on market value as at the Latest Practicable Date) <i>HK\$' million (approximately)</i>
Adjusted NAV prior to the Distribution	805	805
Less:		
Consolidated NAV of LCR attributable to Shareholders	(1,276)	(1,276)
Add:		
74.99% of LCR Shares (based on market value as at the Last Trading Date/ Latest Practicable Date)	<u>565</u>	<u>489</u>
Adjusted net worth of the Group before the Distribution	94	18

The Company indirectly holds 689,018,438 LCR Shares as at the Latest Practicable Date, representing approximately 74.99% of the total issued shares of LCR, with a value of approximately HK\$565 million (based on market value as at the Last Trading Date) and approximately HK\$489 million (based on market value as at the Latest Practicable Date). Under the Distribution, a maximum of 303,289,730 LCR Shares will be distributed to Shareholders, representing approximately 33.01% of the total issued shares of LCR and 44.02% of the LCR Shares held by the Group. Based on the closing price of LCR Shares as at the Last Trading Date and the Latest Practicable Date, the market value of the maximum of 303,289,730 LCR Shares to be distributed amounted to approximately HK\$249 million and HK\$215 million respectively. Such market value of the Distributable LCR Shares receivable by the Scheme Shareholders under the Distribution exceeds the adjusted net worth of the Group of approximately HK\$94 million and HK\$18 million (which, for illustrative purpose, would be the remaining value of the Company attributable to the Shareholders without the Distribution), as shown in the table above. On this basis, the Directors consider, and we concur, that the Distribution ratio is fair and reasonable to the Disinterested Shareholders.

Based on the closing price of LCR Shares as at the Last Trading Date and the Latest Practicable Date, the market value of the minimum remaining 385,728,708 LCR Shares (representing approximately 41.98% of the total issued shares of LCR) held by the Company after the Distribution amounted to approximately HK\$316 million and HK\$274 million respectively. The consolidated net asset value attributable to this shareholding amounts to approximately HK\$714 million as at 31 December 2024 (by reference to the Pro forma Statement of Adjusted NAV as at 31 December 2024).

The Distribution allows the Scheme Shareholders to elect either the Cash Alternative or the Scrip Alternative. The Cash Alternative provides a good opportunity for the Scheme Shareholders to realise their investments for cash at an attractive premium over existing market price of the Shares when the trading liquidity in the Shares has been low in the past years as further discussed below. 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. 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.

Should the Scheme Shareholders prefer to stay with the potential of LCR bearing in mind the substantial net asset base of LCR as shown in the table above, they may choose to receive the Scrip Alternative Shares. Scheme Shareholders would be able to directly hold LCR Shares which may increase the liquidity of those LCR Shares to the extent that the Scrip Alternative is elected.

3. Financial information of the Group

Financial information of the Group is set out in Appendix I to the Scheme Document. As discussed above, following completion of the HKC Share Distribution in January 2025, the Company has retained approximately 284 million HKC Shares, representing approximately 14.23% of the total issued shares of HKC. On this basis, HKC shall be deconsolidated from the Group's financial statements and the remaining HKC Shares are accounted for as financial assets at fair value through other comprehensive income of the Group since completion of the HKC Share Distribution in January 2025.

(A) Financial performance of the Group and LCR

The Group recorded an attributable loss to Shareholders of approximately HK\$1,412 million in 2024. Such loss was mainly due to the share of loss of joint ventures, net fair value loss on financial instruments at fair value through profit or loss of the Group, provision for impairment loss on fixed assets, and the payment made for litigation settlement, offsetting by the share of net profits from the Group's associates. The share of loss of joint ventures included approximately HK\$1,192 million loss from its investment through HKC in Lippo ASM Asia Property Limited, the vehicle holding a controlling stake in OUE Limited (“**OUE**”, together with its subsidiaries, collectively, the “**OUE Group**”), a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited. In 2024, the OUE Group shared loss of an equity-accounted investee whose business in Mainland China had

been adversely impacted by the prevailing slow-down of the property market and the current economic environment in Mainland China, and incurred the fair value losses on investment properties of the OUE Group.

Food businesses are the principal sources of revenue of the Group, consolidated from the accounts of LCR and contributing about 86% of total revenue of the Group for 2024. Such revenue from food businesses segment amounted to approximately HK\$728 million for 2024, representing about 6% year-on-year increase. Such revenue was mainly generated from food retail operations in chains of cafés and bistros and food manufacturing carried out by LCR, which revenue increased by 5% and 7% year-on-year, respectively.

In 2024, over 93% of the total revenue of LCR was generated from the food businesses, and around 59% of the total revenue of LCR was generated from Singapore while Hong Kong and Malaysia contributed around 34% and 4% respectively. LCR is currently operating restaurants under the brands “Chatterbox Café”, “DéliFrance”, “alfafa” and “Lippo Chiuchow Restaurant”. The performance of the food manufacturing business in Singapore and Malaysia improved during 2024 mainly due to enhanced operational cost management and higher sale revenue. However, the challenging operating environment of the LCR’s food businesses as a whole, which were intensified by high operating costs, outbound spending and weak consumption in Hong Kong, resulted in the segment loss of approximately HK\$35 million for 2024, compared to a loss of approximately HK\$55 million for 2023.

Set out below are the key financial figures of the LCR Group for the two years ended 31 December 2023 and 2024, as extracted from the Scheme Document:

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

The LCR Group recorded a consolidated loss attributable to shareholders of approximately HK\$684 million for 2024, as compared to a consolidated loss of approximately HK\$146 million for 2023. The increase in loss was mainly attributable to the net fair value loss on the financial instruments at fair value through profit or loss of approximately HK\$63 million, provision for impairment losses on fixed assets of approximately HK\$80 million and litigation settlement of

approximately HK\$386 million. Further information with respect to LCR's financial information is set out in Appendix III to the Scheme Document and the 2024 annual report of LCR.

The Group has streamlined its portfolio to focus on food businesses mainly generated by LCR, as a core driver of revenue. Along with its property investment and development revenue mainly from its commercial properties in Hong Kong and Mainland China, the Group (through LCR) also engaged in other operating segments including securities investment which involves securities that are held for trading and for long-term strategic purposes, treasury investment in money markets and healthcare services including the provision of healthcare management services. Other projects of the Group include mineral exploration and extraction, the provision of property and project management services, and investment in a closed-end fund.

Except for the HKC Share Distribution, the Group did not declare any dividend for the financial years ended 31 December 2022, 2023 and 2024. LCR declared an interim dividend for the first half of 2022 but none for the second half of 2022, 2023 and 2024. HKC declared no dividend in respect of 2024.

(B) Financial position of the Group

The Group's Adjusted NAV prior to the Distribution amounted to approximately HK\$805 million, equivalent to approximately HK\$1.633 per Share as at 31 December 2024. The Group's Adjusted NAV after the Distribution amounted to approximately HK\$243 million, equivalent to approximately HK\$0.494 per Share as at 31 December 2024.

The table below sets out a summary of the unaudited pro forma adjusted consolidated NAV attributable to Shareholders prior to and after the Distribution:

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

Details of the pro forma financial information of the Group are set out in the paragraph headed “Pro Forma Statement of Adjusted NAV” under the section headed “2. TERMS OF THE PROPOSAL” in the Explanatory Memorandum to the Scheme Document. The assurance report from the independent reporting accountants on the compilation of pro forma financial information is set out in Appendix V to the Scheme Document.

Our analysis on the NAV of the Company is set out in the paragraph headed “(iii). Historical discount of Share price to NAV” below.

4. Prospects of the Group and LCR, and the intention of the Offeror

The operating environment of the Group, including LCR, is challenging. A number of reasons are stated in the 2024 annual reports of the Group and LCR. Global growth is projected at 3.3% in 2025, which is below the historical average of 3.7%. Uncertainties in the global economy remain significant, with the risks tilted to the downside. Escalating trade protectionism and elevated geopolitical tensions may disrupt global trade and supply chains, potentially driving inflation higher and dampening economic activities. The growth in Gross Domestic Product (“GDP”) in Mainland China is expected to moderate on account of a slowdown in investment growth and exports due to tariff hikes and industrial overcapacity. The Ministry of Trade and Industry in Singapore maintained its GDP growth forecast for 2025 at 1.0% to 3.0%. Amid the challenging operating environment, according to the Company’s 2024 annual report, the Group will continue to manage its businesses and monitor its assets and investments cautiously and exercise prudent capital management.

In terms of the food businesses of LCR, the operating environment as a whole remained challenging. According to the press releases published by the Ministry of Trade and Industry of Singapore dated 14 February 2025 and 22 May 2025, the food and beverage services sector in Singapore contracted by 0.9% in 2024, partly due to locals shifting their spending to overseas travel destinations, a pullback from the 5.6% expansion in 2023; while in the first quarter of 2025, the sector shrank by 0.2% year-on-year. For the Hong Kong market, there has been a significant rise in the number of Hong Kong residents making short-stay trips to the Greater Bay Areas or overseas, particularly during weekends and holidays. Such challenging market conditions were intensified by high operating costs, outbound spending and weak consumption in Hong Kong. For the property investment segment of the Group, while the Hong Kong economy recorded a moderate growth for 2024, demand for office properties remained weak.

The Offeror intends to continue 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. The Offeror will continue to monitor all business opportunities as they arise from time to time. The Offeror intends for the Company to withdraw the listing of the Shares on the Hong Kong Stock Exchange upon the Scheme being effective.

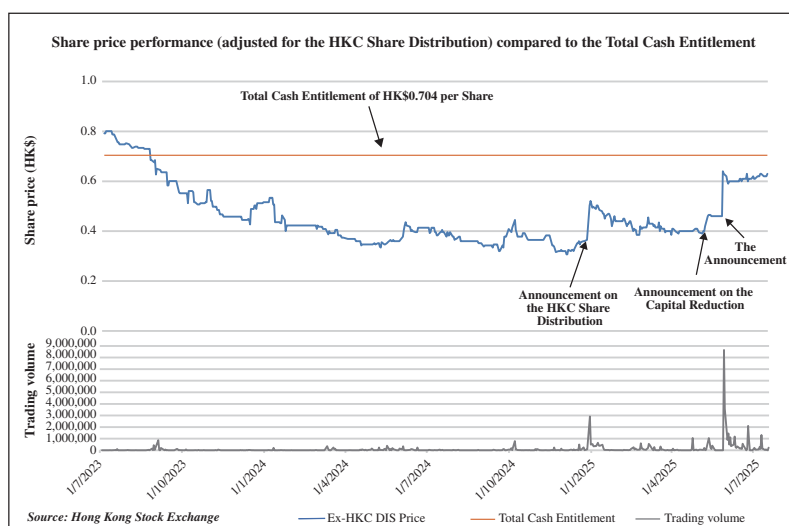
5. Historical price performance of the Shares

(i) *Share price performance compared to the Total Cash Entitlement by electing the Cash Alternative and total entitlement by electing the Scrip Alternative*

The charts below illustrate the daily closing price per Share from 1 July 2023 up to and including the Latest Practicable Date (the “**Review Period**”) adjusted for the HKC Share Distribution (the “**Ex-HKC DIS Price**”) as sourced from the website of the Hong Kong Stock Exchange, and set out a comparison of the Ex-HKC DIS Price with the Total Cash Entitlement by electing the Cash Alternative and the total entitlement by electing the Scrip Alternative, respectively. We consider the Review Period, which covers around two years, can provide a comprehensive overview of the market performance of the Shares for the purpose of this analysis.

Total Cash Entitlement by electing the Cash Alternative:

Based on the Scheme Consideration of HK\$0.14 per Scheme Share and Cash Alternative Amount of HK\$0.564 per Share, the value of the Total Cash Entitlement by electing the Cash Alternative amounts to HK\$0.704 per Share.



During the Review Period, the Ex-HKC DIS Price closed between HK\$0.307 to HK\$0.801 per Share. The closing Share prices showed a downward trend in general from the beginning of the Review Period up to 27 December 2024, when the Company announced the HKC Share Distribution after trading hours. The Shares price surged by approximately 37.8% and closed at HK\$0.503 per Share on the next trading day of 30 December 2024.

On 9 May 2025 (after trading hours), the Company published the announcement on the Capital Reduction. According to such announcement, after the Capital Reduction, the Company will have greater flexibility to undertake corporate exercises and/or declare distributions or dividends, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future. The Share price closed at HK\$0.46 per Share on the next trading day of 12 May 2025, representing an increase of approximately 9.5% from the closing Share price of HK\$0.42 on 9 May 2025. We consider this increase may have been influenced by expectations that the ground work was being laid for a significant transaction.

The Shares closed at HK\$0.46 on 16 May 2025 (i.e. the Last Trading Date) and trading in the Shares was suspended from 9:00 a.m. on 19 May 2025. The Announcement was published after trading hours on 28 May 2025 and trading in the Shares was resumed on 29 May 2025. The Shares closed at HK\$0.64 on 29 May 2025, representing an increase of approximately 39.1% compared to the closing Share price of HK\$0.46 on the Last Trading Date. Following the Announcement, we consider the closing prices of the Shares have been largely determined by the Proposal. The Shares closed at HK\$0.63 as at the Latest Practicable Date.

Since 24 August 2023, the Ex-HKC DIS Price has been consistently below the Total Cash Entitlement of HK\$0.704 per Share, even after the surge in Share prices after the Company announced the HKC Share Distribution on 27 December 2024, the Capital Reduction on 9 May 2025 and the Proposal on 28 May 2025 (all after trading hours). During the Review Period, over 92% of the trading days showed closing Share prices below the Total Cash Entitlement.

The Total Cash Entitlement of HK\$0.704 per Share 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 5 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;

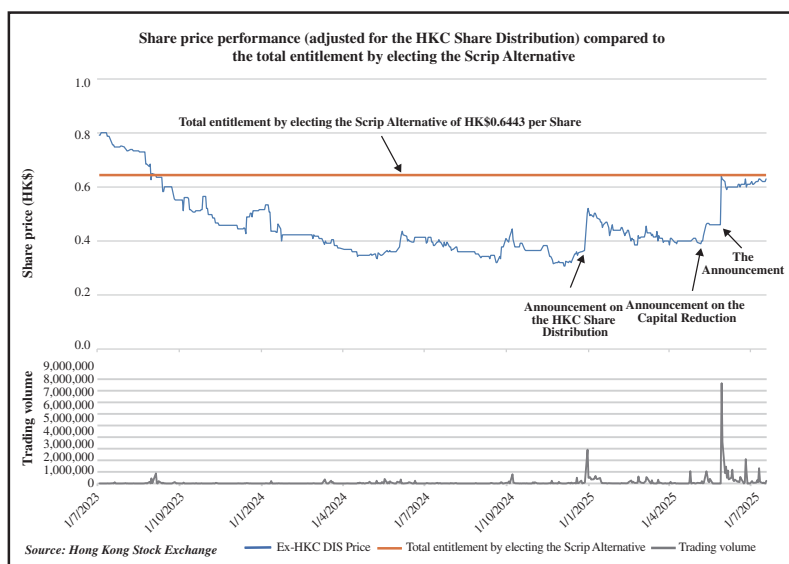
- (e) a premium of approximately 70.80% over the average closing price of approximately HK\$0.412 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 64.16% over the average closing price of approximately HK\$0.429 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date; and
- (g) a premium of approximately 79.04% over the average closing price of approximately HK\$0.393 per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date.

On the Last Trading Date and different periods before and up to the Last Trading Date as set out in items (a) to (g) above, the Total Cash Entitlement per Share represents premia of about 52.05% to 79.04% over the closing Share price.

The Total Cash Entitlement of HK\$0.704 per Share also represents a premium of approximately 11.75% over the closing Share price of HK\$0.63 per Share on the Latest Practicable Date, which we consider has been substantially influenced by the Announcement.

Total entitlement by electing the Scrip Alternative:

Based on the closing price of HK\$0.820 per LCR Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date, the value of the total entitlement by electing the Scrip Alternative amounts to HK\$0.6443 per Share (which is calculated based on the closing price of HK\$0.820 per LCR Share on the Last Trading Date multiplied by the Distribution ratio of 0.615 and plus the Scheme Consideration of HK\$0.14 per Scheme Share).



Total entitlement under the Scrip Alternative of HK\$0.6443 per Share 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 5 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 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date; and
- (g) a premium of approximately 63.85% over the average closing price of approximately HK\$0.393 per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date.

The total entitlement by electing the Scrip Alternative of HK\$0.6443 per Share (based on closing price of LCR Shares on the Last Trading Date) represents premia of about 39.16% to 63.85% over the closing Share price on the Last Trading Date and different periods before and up to the Last Trading Date as set out in items (a) to (g) above.

Based on the closing price of HK\$0.71 per LCR Share on the Latest Practicable Date, the value of the total entitlement by electing the Scrip Alternative amounts to HK\$0.5767 per Scheme Share (which is calculated based on the closing price of HK\$0.71 per LCR Share on the Latest Practicable Date multiplied by the Distribution ratio of 0.615 and plus the Scheme Consideration of HK\$0.14 per Scheme Share). This total entitlement of HK\$0.5767 per Share represents a discount of approximately 8.46% to the closing Share price of HK\$0.63 per Share on the Latest Practicable Date. The value of the Scrip Alternative Share will change from time to time depending on the market price of the LCR Shares.

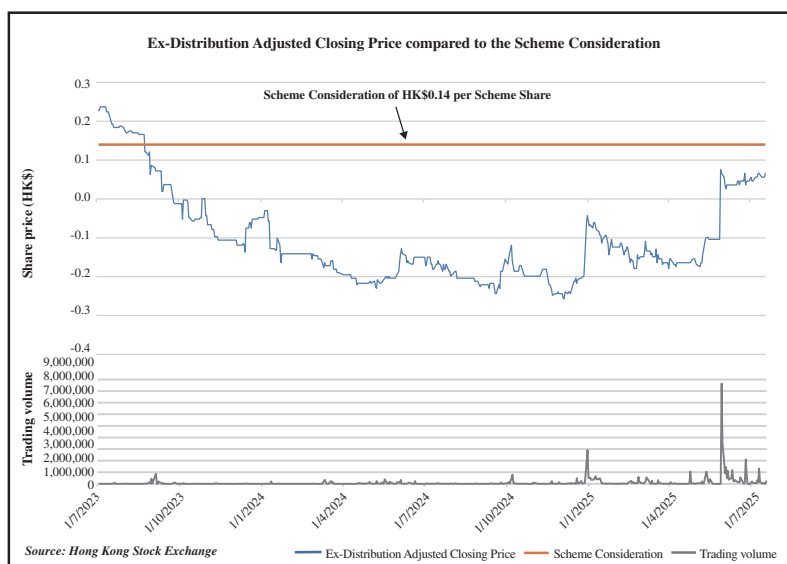
Summary:

As set out above, on the Last Trading Date and for last 5, 10, 30, 60, 90 and 180 trading days before and up to the Last Trading Date, (i) the Total Cash Entitlement by electing the Cash Alternative of HK\$0.704 per Share represents premia of about 52.05% to 79.04% over the closing Share price; and (ii) the total entitlement by electing the Scrip Alternative of approximately HK\$0.6443 per Share (based on closing price of LCR Shares on the Last Trading Date) represents premia of about 39.16% to 63.85% over the closing Share price. We consider the premia over the Share prices during the periods before and up to the Last Trading Date represents a favourable factor for the Disinterested Shareholders. If the Proposal is not approved, the Share prices may return to the levels before publication of the Announcement. Under the Takeovers Code, another offer for the Company cannot be made by the Offeror nor any person who acted in concert with it within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses. Owing to Lippo Capital controlling approximately 74.98% of the Company, we consider it unlikely that any alternative proposal(s) on more attractive terms will emerge.

(ii) Theoretical Ex-Distribution Adjusted Closing Price compared to the Scheme Consideration

The chart below illustrates a comparison of the theoretical Ex-Distribution Adjusted Closing Price with the Scheme Consideration of HK\$0.14 per Scheme Share. The theoretical Ex-Distribution Adjusted Closing Price is calculated by deducting the market value of the Distribution of HK\$0.564 per Share (VWAP per LCR Share of HK\$0.9167 * 0.615 LCR Shares), which is based on the Cash Alternative Amount, from the closing price of the Shares. For example, the Ex-Distribution Adjusted Closing Price as at the Last Trading Date of negative HK\$0.104 is calculated by:

*Company's closing price per Share as at the Last Trading Date of HK\$0.46 — market value of the Distribution of HK\$0.564 per Share (VWAP per LCR Share of HK\$0.9167 * 0.615 LCR Shares)*



Since 25 September 2023 until the Last Trading Date on 16 May 2025 (except 27 and 30 October 2023), the Ex-Distribution Adjusted Closing Price has been a negative number because the market value of the LCR Shares Scheme Shareholders will receive pursuant to the Distribution has exceeded the market value of the Shares. This illustrates the so-called “holding company discount”.

After publication of the Announcement on 28 May 2025 (after trading hours), the closing Share price increased by approximately 39.1% on 29 May 2025 compared to the closing Share price on the Last Trading Date. We consider the Share prices after publication of the Announcement have been substantially influenced by the Proposal. The Ex-Distribution Adjusted Closing Prices ranged from approximately HK\$0.026 to HK\$0.076 after publication of the Announcement up to the Latest Practicable Date.

The Scheme Consideration of HK\$0.14 per Scheme Share represents:

- (a) a premium of approximately HK\$0.244 over the Ex-Distribution Adjusted Closing Price of negative HK\$0.104 per Share on the Last Trading Date;
- (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 5 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 as 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 per Share; and
- (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 per Share.

The Scheme Consideration per Scheme Share represents premia of about HK\$0.241 to HK\$0.311 over the Ex-Distribution Adjusted Closing Price on the Last Trading Date and different periods before and up to the Last Trading Date as set out in items (a) to (g) above.

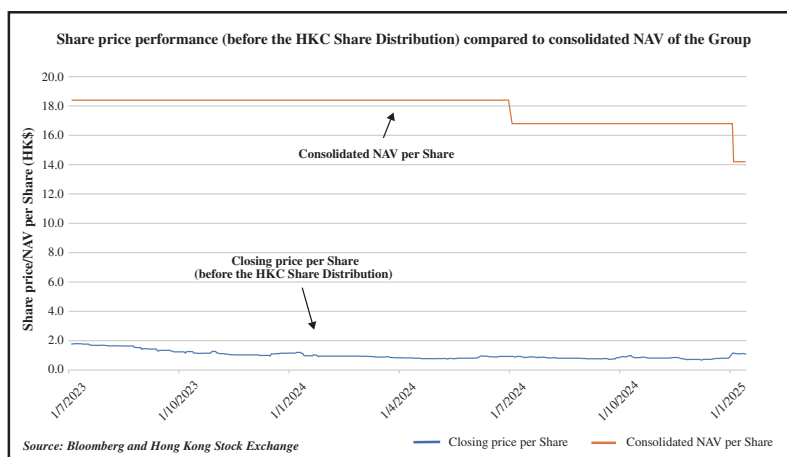
On the Latest Practicable Date, the Scheme Consideration of HK\$0.14 per Scheme Share represents a premium of approximately HK\$0.074 over the Ex-Distribution Adjusted Closing Price.

Summary:

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. We consider the former comparison “(i) Share price performance compared to the Total Cash Entitlement by electing the Cash Alternative and total entitlement by electing the Scrip Alternative” as the more relevant as in our view the two elements (being the Scheme Consideration and the Scrip Alternative/Cash Alternative under the Distribution) of the Proposal are a package. The premia on comparison “(ii) Theoretical Ex-Distribution Adjusted Closing Price compared to the Scheme Consideration” are expressed in dollar terms rather than percentages as the market price turns negative before publication of the Announcement when adjusted for the Distribution on a conventional basis. On either view, in our opinion the premia reflected in the Proposal on the Last Trading Date and for last 5, 10, 30, 60, 90 and 180 trading days before and up to the Last Trading Date as set out above are favourable to the Disinterested Shareholders.

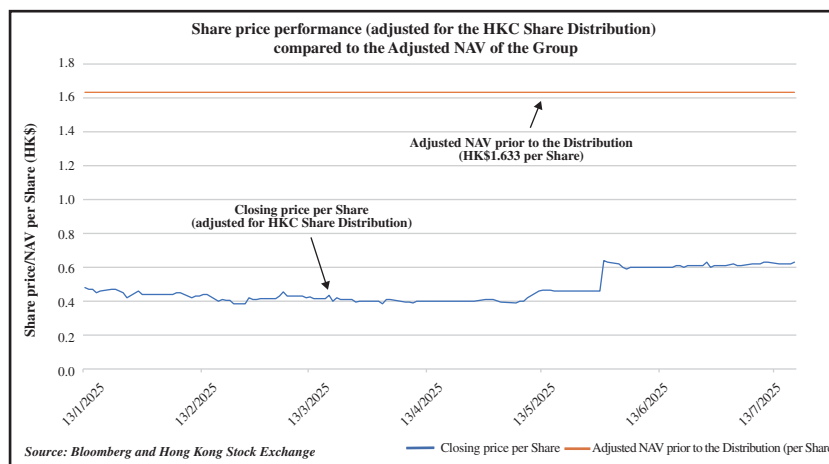
(iii) Historical discount of Share price to NAV

The chart below illustrates the comparison of the Share price before adjustment for the HKC Share Distribution and the consolidated NAV of the Group from the beginning of the Review Period up to 10 January 2025 (being the last trading day before the ex-entitlement date of 13 January 2025 for the HKC Share Distribution). The Company reports its consolidated NAV per Share by way of interim and annual results announcements twice a year.



As shown in the chart above, from the beginning of the Review Period up to 10 January 2025, the Share price traded at a persistent deep discount to the consolidated NAV of the Group, ranging from approximately 90.2% to 95.9%, with an average of around 94.3%.

The chart below illustrates the comparison of the Share price after adjustment for the HKC Share Distribution and the Adjusted NAV prior to the Distribution of the Group from the ex-entitlement date of 13 January 2025 for the HKC Share Distribution up to and including the Latest Practicable Date (the “**Ex-Distribution Review Period**”).



During the Ex-Distribution Review Period, the Share price traded at a discount to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share, ranging from approximately 60.8% to 76.4%, with an average of around 70.7%.

Cash Alternative

The Total Cash Entitlement of HK\$0.704 per Share by electing the Cash Alternative represents a discount of approximately 56.9% to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share. This discount is lower than the historical average trading discount of the Shares to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share during the Ex-Distribution Review Period set out above of approximately 70.7%.

Scrip Alternative

The total entitlement of HK\$0.6443 per Share by electing the Scrip Alternative (based on the closing price of LCR Shares on the Last Trading Date) represents a discount of approximately 60.5% to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share. This discount is lower than the historical average trading discount of the Shares to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share during the Ex-Distribution Review Period set out above of approximately 70.7%.

Disinterested Shareholders should note that the value attributable to the LCR Shares under the Scrip Alternative will vary depending on the market price of the LCR Shares from time to time. Accordingly, the abovementioned discount of approximately 60.5% will also vary. Based on the closing price of LCR Shares on the Latest Practicable Date, the amount of total entitlement by electing the Scrip Alternative is approximately HK\$0.5767 and its discount to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share is approximately 64.7%. This discount is lower than the historical average trading discount of the Shares to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share during the Ex-Distribution Review Period set out above of approximately 70.7%.

Summary

Set out below is a summary of the abovementioned discounts of the entitlement to be received by the Scheme Shareholders under the Cash Alternative or Scrip Alternative to the Adjusted NAV prior to the Distribution:

	Cash Alternative	Scrip Alternative	Scrip Alternative
Entitlement per Share	0.704	0.6443 <i>(based on closing price of LCR Shares on the Last Trading Date)</i>	0.5767 <i>(based on closing price of LCR Shares on the Latest Practicable Date)</i>
Compared with: Adjusted NAV prior to the Distribution (per Share)	1.633	1.633	1.633
<i>Discount</i>	<i>(56.9)%</i>	<i>(60.5)%</i>	<i>(64.7)%</i>
<i>Historical trading discount of the Shares to the Adjusted NAV prior to the Distribution during the Ex-Distribution Review Period:</i>			
<i>Maximum</i>			<i>(76.4)%</i>
<i>Minimum</i>			<i>(60.8)%</i>
<i>Average</i>			<i>(70.7)%</i>

As set out in the table above, the discounts to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share represented by the total entitlement to be received by the Scheme Shareholders under the Cash Alternative of approximately 56.9%; and under the Scrip Alternative of approximately 60.5% based on closing price of LCR Shares on the Last Trading Date and approximately 64.7% based on closing price of LCR Shares on the Latest Practicable Date, respectively, are all lower than the historical average trading discount of the Shares to the Adjusted NAV prior to the Distribution during the Ex-Distribution Review Period of approximately 70.7%.

The Distribution allows the Scheme Shareholders to elect either the Cash Alternative or the Scrip Alternative. Those Shareholders who prefer to stay with the potential prospects and substantial net assets base of LCR, may consider electing the Scrip Alternative. According to the Scheme Document, the attributable net asset backing per Share of the Distributable LCR Shares as at 31 December 2024 is HK\$1.139 per Share (by reference to the Pro forma Statement of Adjusted NAV as at 31 December 2024). Including the Scheme Consideration of HK\$0.14 per Scheme Share, this amounts to total asset backing of approximately HK\$1.279 per Share by electing the Scrip Alternative. Such total asset backing of approximately HK\$1.279 per Share, when compared to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share, represents a discount of approximately 21.7%, which is lower than the discount of the Total Cash Entitlement of HK\$0.704 per Share by electing the Cash Alternative to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share of approximately 56.9% as set out above.

Under the Proposal, there will not be a situation where the Scheme Shareholders will only receive the Scheme Consideration but not their entitlements under the Distribution (either cash or scrip), and vice versa. For illustration purpose, the Scheme Consideration of HK\$0.14 per Scheme Share represents a discount of approximately 71.7% to the Adjusted NAV after the Distribution of approximately HK\$0.494 per Share as at 31 December 2024. Such discount is slightly higher than the average historical trading discount of the Shares during the Ex-Distribution Review Period as set out above of approximately 70.7%.

6. Trading liquidity

The Company

Set out in the table below are the average daily trading volumes of the Shares and the percentages of such average daily trading volumes to the total issued Share capital and the public float of the Company during the Review Period.

	Average daily trading volume of the Shares (Note 1)	Number of trading days	Percentage of the average daily trading volume of the Shares to the total issued Share capital (Note 2)	Percentage of the average daily trading volume of the Shares to public float of the Company (Note 2)
2023				
July	7,512	20	0.0015%	0.0061%
August	31,870	23	0.0065%	0.0261%
September	73,419	19	0.0149%	0.0600%
October	6,450	20	0.0013%	0.0053%
November	3,978	22	0.0008%	0.0033%
December	6,962	19	0.0014%	0.0057%
2024				
January	12,811	22	0.0026%	0.0105%
February	2,382	19	0.0005%	0.0019%
March	47,460	20	0.0096%	0.0388%
April	21,050	20	0.0043%	0.0172%
May	66,048	21	0.0134%	0.0540%
June	49,117	19	0.0100%	0.0402%
July	13,678	22	0.0028%	0.0112%
August	4,491	22	0.0009%	0.0037%
September	17,589	19	0.0036%	0.0144%
October	62,047	21	0.0126%	0.0507%
November	27,833	21	0.0056%	0.0228%
December	225,568	20	0.0457%	0.1844%
2025				
January	213,731	19	0.0433%	0.1747%
February	93,489	20	0.0190%	0.0764%
March	107,110	21	0.0217%	0.0876%
April	74,809	19	0.0152%	0.0612%
May	752,165	20	0.1525%	0.6149%
June	539,717	21	0.1094%	0.4412%
From 1 July 2025 to the Latest Practicable Date	204,142	13	0.0414%	0.1669%

Notes:

1. *Source: Bloomberg*
2. The calculation is based on the average daily trading volume of the Shares divided by the total issued Share capital of the Company or the total number of the Shares in public float at the end of each month (or as at the Latest Practicable Date for July 2025).

From the table above, which outlines the average daily trading volume as a percentage of the total issued Shares and as a percentage of the public float respectively, we note that the average daily trading volume of the Shares has been thin, especially before the publication of announcement with respect to the HKC Share Distribution in December 2024. From July 2023 to November 2024, the average daily trading volume of Shares represented (a) around 0.0005% to 0.0149% of the total issued Shares; and (b) around 0.0019% to 0.0600% of the public float of the Company.

The publication of the announcement with respect to the HKC Share Distribution after trading hours on 27 December 2024 heightened trading volume to 2,918,840 Shares on the next trading day (i.e. 30 December 2024). The average daily trading volume of Shares in December 2024 represented 0.0457% of the total issued Shares and approximately 0.1844% of the public float. The average daily trading volume of Shares, although still higher than those before the announcement with respect to the HKC Share Distribution, slightly decreased in January to April 2025.

The Company announced the Capital Reduction after trading hours on 9 May 2025. On the next trading day of 12 May 2025, trading volume went up to 1,048,000 Shares. Trading of the Shares was suspended on 19 May 2025 and resumed on 29 May 2025. The Announcement was published on 28 May 2025 (after trading hours) and the trading volume heightened to 8,652,300 Shares on the first day of resumption of trading (i.e. 29 May 2025). The average daily trading volume of Shares accounted for around 0.1525% of the total issued Shares and approximately 0.6149% of the public float in May 2025.

From 1 June 2025 to the Latest Practicable Date, the average daily trading volume represented (a) around 0.0414% to 0.1094% of the total issued Shares; and (b) around 0.1669% to 0.4412% of the public float.

Given the thin liquidity of Shares, if Scheme Shareholders (especially those with relatively sizeable shareholdings) wish to sell a significant number of Shares within a short period in the market, it is possible that a downward pressure would be exerted on the market price of the Shares. The higher level of trading volume following the publication of the Announcement may not, in our view, be sustained if the Proposal lapses. Therefore, the Proposal provides a valuable opportunity for the Scheme Shareholders to realise their shareholdings in the Company at a premium over historical Share prices for different recent periods before and up to the Last Trading Date, and over the closing Share price on the Latest Practicable Date (under the Cash Alternative).

LCR

Set out in the table below are the average daily trading volumes of LCR Shares and the percentages of such average daily trading volumes to the total issued share capital and the public float of LCR during the Review Period.

	Average daily trading volume of LCR Shares (Note 1)	Number of trading days	Percentage of the average daily trading volume of LCR Shares to the total issued share capital of LCR (Note 2)	Percentage of the average daily trading volume of LCR Shares to public float of LCR (Note 2)
2023				
July	77,220	20	0.008%	0.034%
August	60,148	23	0.007%	0.026%
September	574,138	19	0.062%	0.250%
October	40,630	20	0.004%	0.018%
November	17,006	22	0.002%	0.007%
December	51,074	19	0.006%	0.022%
2024				
January	74,299	22	0.008%	0.032%
February	86,116	19	0.009%	0.038%
March	349,714	20	0.038%	0.152%
April	27,180	20	0.003%	0.012%
May	114,353	21	0.012%	0.050%
June	42,200	19	0.005%	0.018%
July	58,963	22	0.006%	0.026%
August	122,234	22	0.013%	0.053%
September	533,305	19	0.058%	0.232%
October	37,134	21	0.004%	0.016%
November	12,657	21	0.001%	0.006%
December	49,115	20	0.005%	0.021%
2025				
January	33,008	19	0.004%	0.014%
February	185,108	20	0.020%	0.081%
March	317,477	21	0.035%	0.138%
April	14,305	19	0.002%	0.006%
May	20,190	20	0.002%	0.009%
June	75,391	21	0.008%	0.033%
From 1 July 2025 to the Latest Practicable Date	69,977	13	0.008%	0.030%

Notes:

1. *Source: Bloomberg*
2. The calculation is based on the average daily trading volume of LCR Shares divided by the total issued share capital of LCR or the total number of LCR Shares in public float at the end of each month (or as at the Latest Practicable Date for July 2025).

Based on the table above, in our view the liquidity of LCR Shares was generally thin during the Review Period, with average daily trading volume of LCR Shares representing (a) around 0.001% to 0.062% of the total issued shares of LCR; and (b) around 0.006% to 0.250% of the public float of LCR during the Review Period.

When considering whether to elect the Scrip Alternative, Disinterested Shareholders are reminded that the trading volume of LCR Shares has been generally thin as demonstrated in the table above. If Scheme Shareholders (especially those with relatively sizeable shareholdings) wish to sell a significant number of LCR Shares within a short period in the market, it is possible that a downward pressure would be exerted on the market price of the LCR Shares.

Should the Scheme Shareholders elect the Scrip Alternative, the public float of LCR Shares will increase to the extent that the Scrip Alternative is elected. Assuming all Scheme Shareholders elect the Scrip Alternative, the public float of the LCR Shares would increase by approximately 8.25 percentage points, from approximately 25.01% to 33.26%. For reference, following the HKC Share Distribution, the proportion of HKC Shares held by the public shareholders increased from approximately 25.9% to 40.7% of the total issued shares of HKC, hence improving liquidity of HKC Shares. However, in the HKC Share Distribution, there was no cash alternative so a significant increase in the public float of HKC was guaranteed. This is not the case with the Distribution.

7. Privatisation Precedents

To assess the fairness and reasonableness of the Total Cash Entitlement by electing the Cash Alternative/total entitlement by electing the Scrip Alternative, we have researched all privatisation proposals, which involve a cash alternative as cancellation consideration, of companies listed on the Main Board of the Hong Kong Stock Exchange that were announced and completed during the period since 1 July 2023 and up to the date immediately prior to the Latest Practicable Date (the “**Privatisation Precedents**”). In our view, the Privatisation Precedents represent an exhaustive list identified from the website of the Hong Kong Stock Exchange based on the above selection criteria.

Although the companies listed below may have different principal activities, market capitalisation, financial performance and financial position as compared with those of the Company, we consider that the Privatisation Precedents, involving companies listed on the Main Board of the Hong Kong Stock Exchange, in particular the comparison of the cancellation consideration with share prices, can provide a comprehensive overview of the market trend of the pricing of this type of transaction in the Hong Kong equity capital market and of the acceptable premium range over share prices that disinterested shareholders are willing to accept for tendering their shares in a privatisation transaction.

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The table below illustrates the premiums/discounts represented by the cancellation consideration over/to the respective last trading day, respective last 5, 10, 30, 60, 90 and 180 trading days average share prices and respective latest NAV/adjusted NAV per share in respect of the privatisation proposals:

			Premium or (discount) represented by offer/cancellation price over/to						Premium or (discount) represented by offer/cancellation price over/to latest NAV/adjusted NAV per share
Date of initial announcement (Note 2)	Company name (stock code)	Last full trading day (Note 3)	5- trading day (Note 4)	10- trading day (Note 4)	30- trading day (Note 4)	60- trading day (Note 4)	90- trading day (Note 4)	180- trading day (Note 4)	NAV per share (Note 5)
			closing share price/average share price on/over (Note 1)						
27 December 2024	Vesync Co., Ltd (2148)	33.3%	34.4%	37.3%	44.4%	36.1%	36.4%	24.3%	122.3%
19 December 2024	Pentamaster International Limited (1665)	25.0%	49.3%	53.6%	52.7%	50.2%	51.0%	43.5%	32.6%
10 December 2024	Fosun Tourism Group (1992)	95.0%	112.1%	112.7%	111.2%	110.3%	112.5%	107.0%	(27.4)%
22 November 2024	Ronshine Service Holding Co., Ltd (2207)	15.4%	9.1%	1.7%	(6.3)%	1.7%	(6.5)%	(13.0)%	(53.5)%
28 October 2024	Beijing Capital Grand Limited (1329)	46.6%	54.6%	55.1%	41.8%	47.9%	65.4%	57.3%	(53.8)%
14 October 2024	CM Hi-Tech Cleanroom Limited (2115)	25.0%	23.8%	26.9%	30.2%	39.7%	41.2%	38.1%	(3.2)%
2 September 2024	Doyen International Holdings Limited (668)	78.6%	81.4%	82.3%	81.4%	86.2%	112.9%	92.3%	(39.3)%
22 July 2024	Canvest Environmental Protection Group Company Limited (1381)	11.6%	12.6%	13.0%	16.9%	19.8%	21.0%	23.1%	21.6%
16 July 2024	Samson Holding Ltd. (531)	77.8%	86.8%	105.4%	150.1%	186.7%	184.5%	150.6%	(47.1)%
19 June 2024	Asia Standard Hotel Group Limited (292)	52.8%	48.6%	41.0%	57.1%	71.9%	71.9%	48.7%	(98.6)%
12 June 2024	A8 New Media Group Limited (800)	162.8%	159.0%	168.7%	185.7%	185.7%	174.8%	126.4%	(48.1)%
7 June 2024	CPMC Holdings Limited (906)	4.9%	5.6%	5.8%	6.8%	5.7%	5.4%	9.5%	26.7%
27 May 2024	Huafa Property Services Group Company Limited (982) ("Huafa Property")	30.6%	36.8%	40.1%	70.6%	82.4%	88.3%	104.2%	970.1%
13 May 2024	ESR Group Limited (1821)	55.7%	58.2%	58.1%	54.0%	40.8%	35.0%	26.0%	(1.2)%
29 April 2024	L'Occitane International S.A. (973)	30.8%	36.1%	40.6%	49.9%	60.8%	60.5%	53.8%	593.5%
18 April 2024	Kin Yat Holdings Limited (638)	33.3%	43.4%	47.3%	51.5%	53.6%	55.9%	72.1%	(57.4)%
28 March 2024	SciClone Pharmaceuticals (Holdings) Limited (6600)	33.9%	36.0%	36.2%	47.5%	47.9%	48.7%	67.1%	228.4%
9 February 2024	IntelliCentrics Global Holdings Ltd. (6819)	20.5%	20.4%	19.3%	13.6%	11.4%	10.7%	(4.4)%	N/A
26 January 2024	Bank of Jinzhou Co., Ltd. (416)	0.0%	(0.6)%	(1.0)%	0.3%	15.4%	34.8%	36.5%	(71.9)%
14 December 2023	Sinsoft Technology Group Limited (1297)	29.4%	30.4%	31.2%	31.1%	22.5%	15.0%	14.2%	(78.9)%
4 December 2023	Weiqiao Textile Company Limited (2698)	104.7%	104.9%	102.7%	111.1%	142.9%	147.5%	144.9%	(78.3)%
28 November 2023	CIMC Vehicles (Group) Co., Ltd. (1839)	16.5%	17.9%	21.0%	25.4%	19.1%	15.9%	12.6%	(6.3)%

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			Premium or (discount) represented by offer/cancellation price over/to closing share price/average share price on/over (Note 1)						Premium or (discount) represented by offer/cancellation price over/to latest NAV/adjusted NAV per share (Note 5)
Date of initial announcement (Note 2)	Company name (stock code)	Last full trading day (Note 3)	5-trading day (Note 4)	10-trading day (Note 4)	30-trading day (Note 4)	60-trading day (Note 4)	90-trading day (Note 4)	180-trading day (Note 4)	
20 November 2023	Vinda International Holdings Limited (3331)	20.1%	19.7%	21.4%	21.3%	25.7%	29.2%	22.0%	145.2%
6 October 2023	Haitong International Securities Group Limited (665)	114.1%	111.1%	108.2%	126.5%	122.2%	124.5%	110.5%	(39.3)%
6 October 2023	Pine Care Group Limited (1989)	(1.1)%	0.7%	0.9%	1.5%	8.9%	22.9%	43.8%	(7.9)%
15 September 2023	Lansen Pharmaceutical Holdings Limited (503)	26.8%	24.1%	22.5%	20.0%	15.4%	20.8%	23.3%	22.1%
1 September 2023	CST Group Limited (985)	61.3%	24.4%	21.4%	36.6%	(1.4)%	(14.9)%	(33.8)%	(60.7)%
	Highest	162.8%	159.0%	168.7%	185.7%	186.7%	184.5%	150.6%	970.1%
	Lowest	(1.1)%	(0.6)%	(1.0)%	(6.3)%	(1.4)%	(14.9)%	(33.8)%	(98.6)%
	Average	44.6%	46.0%	47.2%	53.1%	55.9%	58.0%	51.9%	53.4%
	Median	30.8%	36.0%	37.3%	44.4%	40.8%	41.2%	43.5%	(17.7)%
	The Company (226):								
	At Total Cash Entitlement of HK\$0.704 per Share by electing the Cash Alternative	53.04%	52.05%	62.96%	71.22%	70.80%	64.16%	79.04%	(56.9)%
	At total entitlement of HK\$0.6443 per Share by electing the Scrip Alternative (based on closing price of LCR Shares on the Last Trading Date)	40.07%	39.16%	49.14%	56.70%	56.32%	50.24%	63.85%	(60.5)%
	At total asset backing of approximately HK\$1.279 per Share by electing the Scrip Alternative (Note 6)								(Discount) to the Adjusted NAV prior to the Distribution: (21.7)%

Source: Bloomberg and the website of the Hong Kong Stock Exchange

Notes:

1. The figures are quoted from the respective offer/scheme document or if such data is not available, calculated based on the offer/cancellation price divided by the closing price per share on the last full trading day or average closing price per share during various periods.
2. The date of the Takeovers Code Rule 3.5 announcement or Rule 3.7 announcement, whichever is earlier (as applicable).
3. The last undisturbed full trading day as disclosed in the respective offer/scheme document or last full trading day prior to the release of the initial announcement.
4. Up to and including the last full trading day.
5. It represents the premium or (discount) represented by the offer/cancellation price over the NAV per share (or adjusted NAV per share, if available) quoted from the respective offer/scheme document.
6. Details on calculation of the total asset backing of approximately HK\$1.279 per Share by electing the Scrip Alternative are set out in the paragraph headed “(iii) Historical discount of Share price to NAV” under the section headed “III. PRINCIPAL FACTORS AND REASONS CONSIDERED” above.
7. Subject to rounding difference.

On share price

Based on the table above, the average premium and median premium of the Privatisation Precedents over the (average) closing price on the last trading day, and for last 5, 10, 30, 60, 90 and 180 trading days range from approximately 44.6% to 58.0% and approximately 30.8% to 44.4% respectively.

The premia represented by the Total Cash Entitlement of HK\$0.704 per Share (by electing the Cash Alternative) over the (average) closing price on the Last Trading Date and for last 5, 10, 30, 60, 90 and 180 trading days before and up to the Last Trading Date range from about 52.05% to 79.04%, which are higher than both the average and median premiums of the Privatisation Precedents of the respective period set out above.

The premia represented by the total entitlement by electing the Scrip Alternative of HK\$0.6443 per Share (based on the closing price of LCR Share as at the Last Trading Date) over the (average) closing price on the Last Trading Date and for last 5, 10, 30, 60, 90 and 180 trading days before and up to the Last Trading Date range from about 39.16% to 63.85%, which are higher than (a) the median premium of the Privatisation Precedents of the respective period; and (b) the average premia over the average closing price for last 10, 30, 60 and 180 trading days of the Privatisation Precedents set out in the table above. The value of the Scrip Alternative Share will change depending on the market price of the LCR Shares from time to time.

On NAV

For the average premium/discount of the Privatisation Precedents over their respective NAV, the average premium of approximately 53.4% compared to the median discount of approximately 17.7% is mainly due to the exceptionally high premium of approximately 970.1% over the NAV offered in the case of Huafa Property. As such the median discount to NAV of approximately 17.7% may offer fairer analysis compared to the average premium of the Privatisation Precedents over their respective NAV.

The discounts to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share represented by (a) the Total Cash Entitlement under the Cash Alternative of approximately 56.9%; and (b) the total entitlement under the Scrip Alternative (based on closing share price of LCR on the Last Trading Date) of approximately 60.5%, are both higher than the median discount to NAV of the Privatisation Precedents of approximately 17.7%.

The total asset backing of approximately HK\$1.279 per Share by electing the Scrip Alternative represents a discount of approximately 21.7% to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share, which is higher than the median discount to NAV of the Privatisation Precedents of approximately 17.7% by 4 percentage points.

Nevertheless, the companies involved in the Privatisation Precedents may have different principal activities, and may vary between asset-heavy and asset-light models resulting in different trading discount/premium to their respective NAV. As such the analysis in this section should not be considered on an isolated basis but should be taken into account in totality with other factors when considering the fairness of the Proposal. Our analysis on the NAV of the Company is set out in the paragraph headed “(iii) Historical discount of Share price to NAV” under the section headed “III. PRINCIPAL FACTORS AND REASONS CONSIDERED” above.

Summary

Having considered that (a) the Distribution ratio is fair and reasonable to the Disinterested Shareholders; (b) on the Last Trading Date and for last 5, 10, 30, 60, 90 and 180 trading days before and up to the Last Trading Date, the Total Cash Entitlement under the Cash Alternative shows premia over market prices in a range from approximately 52.05% to 79.04%, and total entitlement under the Scrip Alternative shows premia over market prices of approximately 39.16% to 63.85%; (c) the discounts to the NAV represented by the total entitlement under the Cash Alternative or Scrip Alternative (based on closing price of LCR Shares on the Last Trading Date and the Latest Practicable Date) are all lower than the historical average trading discount of the Shares during the Ex-Distribution Review Period of approximately 70.7%; (d) the Shares have not been actively traded which makes the opportunity of a full cash exit under the Proposal attractive for those Shareholders who may wish to sell; and (e) there is flexibility to elect either the Cash Alternative or the Scrip Alternative under the Distribution, despite the discounts represented by

the total entitlement under the Cash Alternative or the Scrip Alternative to the Adjusted NAV prior to the Distribution being higher than the median discount of the Privatisation Precedents, we consider the Proposal (including the Scheme and the Distribution) to be fair and reasonable.

After the HKC Share Distribution, the business activities of the Company are now mainly carried out by LCR. We performed a search on Bloomberg for comparable companies of the Company which are listed on the Main Board of the Hong Kong Stock Exchange with market capitalisation below HK\$300 million and principally engaged in the food business in Southeast Asia. Based on the above selection criteria, our search identified only one comparable company, K2 F&B Holdings Limited (stock code: 2108). Given the limited availability of comparable companies and the challenges in deriving meaningful valuation benchmarks from a single peer, we do not consider comparable companies analysis a meaningful tool and reliable basis for assessing the fairness of the total entitlement under the Proposal for privatising the Company.

IV. DISCUSSION

(i) The nature of the Company, its business, assets and liabilities

The Company is essentially a holding company which has borrowed to fund its holdings in its subsidiaries. Up to the end of 2024, the Company conducted operations through its two main subsidiaries, LCR and HKC. The remaining 2024 revenue of the Group, excluding those directly attributable to the LCR Group and the HKC Group, amounted only to approximately 0.3% of the 2024 total revenue of the Group when excluding those of the HKC Group. On the same basis, the assets held by the Company only amount to approximately 5.8% of total Group assets when excluding those of the HKC Group as at 31 December 2024. On the other hand, the Company has borrowings of HK\$790 million on standalone basis as at 31 December 2024 as set out above. Based on the borrowings of the Company of HK\$790 million and the Adjusted NAV after the Distribution of the Group of approximately HK\$243 million, we consider the gearing ratio of approximately 325.1% is high.

For the year of 2024, the Group recorded an attributable loss of approximately HK\$1,412 million, mainly due to the share of loss of joint ventures of approximately HK\$1,192 million from its investment in OUE, a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited. In 2024, the OUE Group shared loss of an investee whose business in Mainland China had been adversely impacted by the prevailing slow-down of the property market and the current economic environment in Mainland China. Food businesses segment of the Group, representing the business of LCR, recorded a segment loss of approximately HK\$35 million in 2024. LCR has continued to incur losses in 2024 of approximately HK\$684 million.

As announced on 27 December 2024, approximately 1.19 billion HKC Shares were distributed by the Company, representing approximately 80.76% of the HKC Shares held by the Company and 59.72% of the total issued share capital of HKC. This substantial distribution has significantly decreased the net assets of the Group, as it did a large distribution of assets without any corresponding reduction of the Company's liabilities. Following the completion of the HKC Share Distribution, the Company has retained about 284 million HKC Shares (approximately 14.23% of the total issued share capital of HKC), valued at approximately HK\$65 million as at the Last Trading Date. These HKC Shares are now held at market value as a non-current asset of the Company and the assets and liabilities of HKC are no longer consolidated in the accounts of the Group.

(ii) Factors affecting the size of the Distribution

The Group currently holds about 689 million LCR Shares (approximately 74.99% of the issued share capital of LCR). The proposed Distribution, based on a ratio of 615 LCR Shares for every 1,000 Shares, amounts to about 33.01% of the issued share capital of LCR and about 44.02% of the LCR Shares held by the Group. If the Distribution is completed and assuming all Scheme Shareholders elect the Scrip Alternative, the Company will retain about 386 million LCR Shares (about 41.98% of the issued share capital of LCR). However, because as in the case of HKC Share Distribution, the Distribution represents a decrease in assets without a corresponding reduction in liabilities, the Company's Adjusted NAV after the Distribution will be reduced to approximately HK\$243 million.

As mentioned above, the Company has minimal assets apart from its holding in LCR and its remaining 14.23% interest in HKC. On the other hand, it has significant liabilities, mostly borrowings of HK\$790 million as at 31 December 2024 (excluding the loan repaid prior to the HKC Share Distribution in the amount of HK\$120 million).

The only material security the Company can offer for borrowings is its remaining HKC Shares and LCR Shares and the only present material source of income to pay interest is dividends (if any) from HKC and LCR. Based on the borrowings of the Company of HK\$790 million as mentioned above and the Adjusted NAV after the Distribution of the Group of approximately HK\$243 million, we consider the gearing ratio of approximately 325.1% is high. Under the Distribution, a maximum of 303,289,730 LCR Shares with a market value of approximately HK\$249 million as at the Last Trading Date and approximately HK\$215 million as at the Latest Practicable Date will be distributed, which exceeds the adjusted net worth of the Group of approximately HK\$94 million and HK\$18 million before the Distribution (which, for illustrative purpose, would be the remaining value of the Company attributable to the Shareholders without the Distribution), as set out in the paragraph headed "2. The effects of the Proposal" under the section headed "III. PRINCIPAL FACTORS AND REASONS CONSIDERED" of this letter above. On this basis, the Directors consider, and we concur, that the Distribution ratio of 615 LCR Shares for every 1,000 Shares of the Company is fair and reasonable to the Disinterested Shareholders.

(iii) Total entitlement

The total entitlement consists of two elements, which form a package:

- (a) the Scheme Consideration of HK\$0.14 per Scheme Share; and
- (b) the Distribution based on 615 LCR Shares for every 1,000 Shares, receivable either
 - (i) in cash form (the Cash Alternative) in an amount of HK\$0.564 per Share,

or
 - (ii) in scrip form (the Scrip Alternative) on the above basis of 615 LCR Shares for every 1,000 Shares.

The Total Cash Entitlement of HK\$0.704 per Share by electing the Cash Alternative has been set based on multiplying the VWAP per LCR Share for the last 3 months ended on and including the Last Trading Date of HK\$0.9167 by the Distribution ratio of 615 LCR Shares for every 1,000 Shares, plus the Scheme Consideration of HK\$0.14 per Scheme Share.

Based on the closing price of HK\$0.820 per LCR Share on the Last Trading Date, the value of the total entitlement by electing the Scrip Alternative amounted to HK\$0.6443 per Share, which is calculated based on such closing price of HK\$0.820 per LCR Share multiplied by the Distribution ratio of 0.615 and plus the Scheme Consideration of HK\$0.14 per Scheme Share. The value of the Scrip Alternative Share will change depending on the market price of the LCR Shares. At the Latest Practicable Date, the closing price of LCR Shares was HK\$0.71, so the value of the Scrip Alternative Share amounted to HK\$0.4367 and the total entitlement by electing the Scrip Alternative amounted to HK\$0.5767.

Of the Total Cash Entitlement by electing the Cash Alternative and the total entitlement by electing the Scrip Alternative (based on closing price of LCR Shares on the Last Trading Date), the Distribution represents approximately 78% to 80% by value, which is why we have discussed the reason for the size of the Distribution in some detail above.

(iv) Premiums over market price and theoretical Ex-Distribution Adjusted Closing Price

We have presented the premiums over market price and the theoretical adjusted market price which the Proposal offers on two bases, (a) comparing the recent market prices with the Total Cash Entitlement by electing the Cash Alternative and the total entitlement by electing the Scrip Alternative; and (b) comparing the theoretical market prices adjusted for the Distribution with the Scheme Consideration. We consider the former comparison (a) as more relevant as in our view the two elements of the Proposal are a package. The premia on comparison (b) are expressed in dollar terms rather than percentages as the market price of the Company turns negative before publication of the Announcement when adjusted for the Distribution on a conventional basis.

(a) Historical market price compared to the Total Cash Entitlement by electing the Cash Alternative and the total entitlement by electing the Scrip Alternative

A comparison of the Total Cash Entitlement by electing the Cash Alternative and the total entitlement by electing the Scrip Alternative with market Share prices on the Last Trading Date and for last 5, 10, 30, 60, 90 and 180 trading days before and up to the Last Trading Date is set out above. Total Cash Entitlement per Share shows premia over market prices in a range from about 52.05% to 79.04%, and total entitlement under the Scrip Alternative (based on closing price of LCR Shares on the Last Trading Date) shows premia of about 39.16% to 63.85% over market prices, which we consider attractive elements of the Proposal.

Based on the closing price of LCR Shares on the Latest Practicable Date, the total entitlement by electing the Scrip Alternative amounted to HK\$0.5767. This total entitlement represents a discount of approximately 8.46% to the closing price of HK\$0.63 per Share on the Latest Practicable Date.

(b) Theoretical adjusted market price compared to the Scheme Consideration

A comparison of Scheme Consideration with market prices adjusted for the Distribution is set out above. The Scheme Consideration per Scheme Share represents premia of about HK\$0.241 to HK\$0.311 over the theoretical Ex-Distribution Adjusted Closing Price on the Last Trading Date and for last 5, 10, 30, 60, 90 and 180 trading days before and up to the Last Trading Date.

If the Proposal is not approved, the market price of the Shares can be expected in our view to return approximately to the levels before the publication of the Announcement. Under the Takeovers Code, a similar proposal cannot be made by Lippo Capital or its concert parties for at least 12 months if the Proposal lapses. As the Company is approximately 74.98% controlled by Lippo Capital, it is unlikely, in our view, that any alternative proposal(s) will emerge on more attractive terms than the Proposal (or at all).

(v) Comparison to the NAV

The Adjusted NAV prior to the Distribution is approximately HK\$1.633 per Share. This is based on the audited consolidated accounts of the Group at 31 December 2024 adjusted for the HKC Share Distribution, after which the Company now treats its remaining 14.23% interest in HKC as a non-current asset valued on a “marked to market” basis.

The Total Cash Entitlement of HK\$0.704 per Share by electing the Cash Alternative represents a discount of approximately 56.9% to the Adjusted NAV prior to the Distribution. The total entitlement of HK\$0.6443 per Share (based on closing price of LCR Shares on the Last Trading Date) and HK\$0.5767 per Share (based on closing price of LCR Shares on the Latest Practicable Date) by electing the Scrip Alternative represents a discount of approximately 60.5% and 64.7% to the Adjusted NAV prior to the Distribution, respectively.

As set out in the table under the paragraph headed “(iii) Historical discount of Share price to NAV” under the section headed “III. PRINCIPAL FACTORS AND REASONS CONSIDERED” of this letter above, the discounts represented by the total entitlement under the Cash Alternative or Scrip Alternative (based on closing price of LCR Shares on the Last Trading Date and the Latest Practicable Date) are all lower than the historical average trading discount to the Adjusted NAV prior to the Distribution during the Ex-Distribution Review Period of approximately 70.7%.

The Distribution allows the Scheme Shareholders to elect either the Cash Alternative or the Scrip Alternative. Shareholders who are inclined to accept the Scrip Alternative may wish to note that based on the pro forma NAV of LCR, the attributable net asset backing per Share of the Distributable LCR Shares as at 31 December 2024 is approximately HK\$1.139 per Share. Including the Scheme Consideration, this amounts to total asset backing of approximately HK\$1.279 per Share, representing a discount of approximately 21.7% to the Adjusted NAV prior to the Distribution of approximately HK\$1.633 per Share. Such discount of approximately 21.7% is lower than the discount of the Total Cash Entitlement by electing the Cash Alternative to the Adjusted NAV prior to the Distribution of approximately 56.9% as mentioned above. Those Shareholders who, after taking into account the prospects for LCR, consider the discount to net assets is an important factor, may consider electing the Scrip Alternative.

(vi) Liquidity

An analysis of the liquidity of the Shares and LCR Shares is set out above. We consider that the Shares have not been actively traded which makes the opportunity of a full cash exit attractive for those Shareholders who may wish to sell.

Those Shareholders who may be attracted to the Scrip Alternative should note that in our view the LCR Shares have also not been actively traded in the past. If Scheme Shareholders (especially those with relatively sizeable shareholdings) wish to sell a significant number of LCR Shares within a short period in the market, it is possible that a downward pressure would be exerted on the market price of the LCR Shares.

Based on experience after the HKC Share Distribution, trading in LCR Shares may become more active once the Distribution is completed, as the public float of LCR will increase to the extent that the Scrip Alternative is elected. Assuming all Scheme Shareholders elect Scrip Alternative, public float of the LCR Shares would increase by approximately 8.25 percentage points, from approximately 25.01% to 33.26%. However, the extent of such an election is not known and even then an increase in the liquidity of LCR Shares cannot be guaranteed.

(vii) Comparison to Privatisation Precedents

A table of recent successfully completed Privatisation Precedents is set out above.

The premia represented by the Total Cash Entitlement of HK\$0.704 per Share by electing the Cash Alternative are higher than the average and median premium of the Privatisation Precedents over the (average) closing price on the last trading day and for last 5, 10, 30, 60, 90 and 180 trading days before and up to the last trading day.

The premia represented by the total entitlement by electing the Scrip Alternative of HK\$0.6443 per Share (based on the closing price of LCR Shares as at the Last Trading Date) are higher than the median premium of the Privatisation Precedents over the (average) closing price on the last trading day and for last 5, 10, 30, 60, 90 and 180 trading days before and up to the last trading day, and the premia over the average closing price for last 10, 30, 60 and 180 trading days are higher than the average of the Privatisation Precedents. The value of the Scrip Alternative Share will change from time to time depending on the market price of the LCR Shares.

The discounts represented by the total entitlement under the Cash Alternative and the Scrip Alternative to the Adjusted NAV prior to the Distribution are both higher than the median discount of the Privatisation Precedents of approximately 17.7%, which we consider a fairer analysis compared to the average premium of the Privatisation Precedents over their respective NAV. The discount to the Adjusted NAV prior to the Distribution of approximately 21.7% representing by the total asset backing of approximately HK\$1.279 per Share by electing the Scrip Alternative is higher than such median discount to NAV of the Privatisation Precedents of approximately 17.7% by 4 percentage points.

Nevertheless, the companies involved in the Privatisation Precedents may have different principal activities, and may vary between asset-heavy and asset-light models resulting in different trading discount/premium to their respective NAV. As such the analysis on the Privatisation Precedents should not be considered on an isolated basis but should be taken into account in totality with their factors when considering the fairness of the Proposal. Our analysis on the NAV of the Company is set out in the paragraph headed “(iii) Historical discount of Share price to NAV” under the section headed “III. PRINCIPAL FACTORS AND REASONS CONSIDERED” above.

Having considered that (a) the Distribution ratio is fair and reasonable to the Disinterested Shareholders; (b) on the Last Trading Date and for last 5, 10, 30, 60, 90 and 180 trading days before and up to the Last Trading Date, the Total Cash Entitlement under the Cash Alternative shows premia over market prices in a range from about 52.05% to 79.04%, and total entitlement under the Scrip Alternative shows premia over market prices of about 39.16% to 63.85%; (c) the discounts to the NAV represented by the total entitlement under the Cash Alternative or Scrip Alternative (based on closing price of LCR Shares on the Last Trading Date and the Latest Practicable Date) are all lower than the historical average trading discount of the Shares during the Ex-Distribution Review Period of approximately 70.7%; (d) the Shares have not been actively traded which makes the opportunity of a full cash exit under the Proposal attractive for those Shareholders who may wish to sell; and (e) there is flexibility to elect either the Cash Alternative or the Scrip Alternative under the Distribution, despite the discounts represented by the total entitlement under the Cash Alternative or the Scrip Alternative to the Adjusted NAV prior to the Distribution being higher than the median discount of the Privatisation Precedents, we consider the Proposal (including the Scheme and the Distribution) to be fair and reasonable.

V. OPINION AND RECOMMENDATION

Bearing in mind the above principal factors, none of which can be viewed in isolation, we consider the Proposal (including the Scheme and the Distribution) is fair and reasonable so far as the Disinterested Shareholders are concerned and advise the Independent Board Committee to recommend, and we ourselves recommend, the Disinterested Shareholders to vote in favour of (a) the resolution to approve the Scheme at the Court Meeting; (b) the special resolution to approve and give effect to the Scheme and the ordinary resolution to approve the Distribution at the General Meeting.

Those Shareholders who particularly value liquidity should consider electing the Cash Alternative. The Total Cash Entitlement by electing Cash Alternative of HK\$0.704 per Share represents a premium of approximately 11.75% compared to the closing price of the Shares of HK\$0.63 as at the Latest Practicable Date. Disinterested Shareholders who are inclined to accept the Cash Alternative should nevertheless monitor the Share price and consider selling in the market if the proceeds (net of costs) exceed the Total Cash Entitlement.

Those Shareholders who, after taking into account the prospects for LCR, consider the discount to net assets is an important factor, may consider electing the Scrip Alternative. However, they should monitor the market price of LCR Shares, which as at the Latest Practicable Date was below the VWAP per LCR Share of HK\$0.9167, the basis on which the Cash Alternative is calculated. Based on the closing price of HK\$0.71 per LCR Share as at the Latest Practicable Date, the market value of the Scrip Alternative Shares receivable per Share amounts to HK\$0.4367 and the total entitlement by electing the Scrip Alternative amounts to HK\$0.5767 per Share, representing a discount of approximately 8.46% compared to the closing price of the Shares of HK\$0.63 as at the Latest Practicable Date.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
M.N. Sabine **Stephanie Chow**
Chairman *Director*

Mr. M.N. Sabine is a licensed person and responsible officer of Somerley Capital Limited registered with the SFC to carry out Type 1 (dealing with securities) and Type 6 (advising on corporate finance) regulated activity under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

Ms. Stephanie Chow is a licensed person registered with the SFC and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. She has over thirteen years' experience in the corporate finance industry.

This Explanatory Memorandum constitutes the statement required under Section 671 of the Companies Ordinance.

1. INTRODUCTION

On 28 May 2025, the Offeror and the Company jointly announced that on 16 May 2025 the Offeror requested the Board to put forward to the Shareholders the Proposal which comprises (i) 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 (ii) 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 (the “**Distributable LCR Shares**”) currently held by Skyscraper, a wholly-owned subsidiary of the Company, to Shareholders whose names appear on the Register 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 purpose of this Explanatory Memorandum is to explain the terms and effects of the Proposal and, specifically, to provide the Scheme Shareholders with additional information in relation to the Scheme and the Distribution.

Your attention is also drawn to (i) the “Letter from the Board” set out in Part V of this Scheme Document; (ii) the “Letter from the Independent Board Committee” set out in Part VI of this Scheme Document; (iii) the “Letter from the Independent Financial Adviser” set out in Part VII of this Scheme Document; (iv) the appendices to this Scheme Document, including the Scheme set out in Appendix VI to this Scheme Document; (v) the “Notice of the Court Meeting” set out in Appendix VII to this Scheme Document and the “Notice of the General Meeting” set out in Appendix VIII to this Scheme Document; (vi) forms of proxy in respect of the Court Meeting and the General Meeting as enclosed with this Scheme Document; and (vii) the Form of Election in respect of the Cash Alternative or the Scrip Alternative as enclosed with this Scheme Document.

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 on the Scheme Record Date.

The Board, recognising that the Distribution is an integral part of the Proposal, has declared the conditional special distribution 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 such number of LCR Shares calculated based on 615 LCR Shares for every 1,000 Shares held by the Shareholder, rounded down to the nearest whole number (the “**Scrip Alternative Shares**”); or
- in cash form (the “**Cash Alternative**”), an amount of HK\$0.564 per Share (the “**Cash Alternative Amount**”).

The Cash Alternative Amount is determined by multiplying the VWAP per LCR Share for the last 3 months ended on and including 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 Form of Election to the Company by the Election Time set out in the “Part IV — Expected Timetable” section of this Scheme Document. The Election Time window will open and close on dates set out in the “Part IV — Expected Timetable” section of this Scheme Document.

Any Shareholder who has not submitted a duly completed and signed Form of Election by the end of the Election Time set out in the “Part IV — Expected Timetable” section of this Scheme Document (or who has sold his, her or its Shares after submitting a duly completed and signed Form of Election where the Shareholder acquiring such Shares has not submitted a new signed Form of Election by the end of the Election Time set out in the “Part IV — Expected Timetable” section of this Scheme Document) will be deemed to have elected to receive the Cash Alternative in respect of all of his, her or its Shares.

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 no later than seven (7) business days (as defined in the Takeovers Code) following the Effective Date.

The Company will direct Skyscraper to transfer the Scrip Alternative 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 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 Latest Practicable Date.

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 the Shareholders in compliance with Applicable Laws.

The number of 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.

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 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, other than the Non-Qualifying 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) on the basis 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.

Comparison of the implied value of each LCR Share

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 Distribution 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 5 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.

Based on the closing price of HK\$0.630 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date, the implied value of each LCR Share amounted to HK\$0.7967 per LCR Share (which is calculated based on such closing price of HK\$0.630 less the Scheme Consideration and such difference divided by the Distribution ratio of 0.615), and:

- (a) the closing price of HK\$0.710 per LCR Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date represents a discount of approximately 10.88% to such implied value of each LCR Share;
- (b) 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 2.92% over such implied value of each LCR Share;
- (c) the average closing price of approximately HK\$0.792 per LCR Share as quoted on the Hong Kong Stock Exchange for the 5 trading days up to and including the Last Trading Date represents a discount of approximately 0.59% to such implied value of each LCR Share;
- (d) 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 discount of approximately 1.85% to such implied value of each LCR Share;
- (e) 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 0.58% over such implied value of each LCR Share;
- (f) 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 6.61% over such implied value of each LCR Share;
- (g) 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 2.34% over such implied value of each LCR Share;
- (h) 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 discount of approximately 2.33% to such implied value of each LCR Share; and

- (i) 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 142.76% over such implied value of each LCR Share.

As the Distribution is conditional on the satisfaction of the Distribution Conditions, which include 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 Conditions have been satisfied, the Company will be legally bound to and will pay the Scrip Alternative Shares or 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 no later than 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 the combined value of the Scheme Consideration and the Cash Alternative

The Total Cash Entitlement of HK\$0.704 represents:

- (a) a premium of approximately 11.75% over the closing price of HK\$0.630 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) 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;
- (c) 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 5 trading days up to and including the Last Trading Date;

- (d) 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;
- (e) 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;
- (f) 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;
- (g) a premium of approximately 64.16% over the average closing price of approximately HK\$0.429¹ per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (h) a premium of approximately 79.04% over the average closing price of approximately HK\$0.393¹ per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date; and
- (i) 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 2024², which is less than 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.

Comparison is made to the Adjusted NAV prior to the Distribution per Share of approximately HK\$1.633 as at 31 December 2024² instead of the unadjusted consolidated NAV per Share by reference to the audited consolidated financial statements of the Company for the year ended 31 December 2024 as the latter has not taken into account the completion of the HKC Share Distribution. The HKC Share Distribution was completed in January 2025 upon which the Shareholders who qualified had received the distribution in specie on the basis of 2,420 HKC Shares for every 1,000 Shares held by the Shareholders on the relevant record date.

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 2024².

Notes:

- 1 The price of the Shares 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.

- 2 Please refer to the section headed “Pro Forma Statement of Adjusted NAV” as set out on pages 100 to 102 of this Scheme Document for further details of the calculation of the Adjusted NAV prior to the Distribution per Share as at 31 December 2024.

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\$0.074 over the Ex-Distribution Adjusted Closing Price per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date of HK\$0.066 per Share;
- (b) 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;
- (c) 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 5 trading days up to and including the Last Trading Date of negative HK\$0.101 per Share;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) 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\$0.135¹ per Share;
- (h) 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\$0.171¹ per Share; and

- (i) a discount of approximately 71.66% to the Adjusted NAV after the Distribution per Share of approximately HK\$0.494 as at 31 December 2024², assuming all Scheme Shareholders select Scrip Alternative, which is less than the discount of approximately 71.83% calculated 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 the Adjusted NAV prior to the Distribution of HK\$1.633 per Share as at 31 December 2024².

Notes:

- 1 The price of the Shares 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.
- 2 Please refer to the section headed “Pro Forma Statement of Adjusted NAV” as set out on pages 100 to 102 of this Scheme Document for further details of the calculation of the Adjusted NAV prior to the Distribution per Share and the Adjusted NAV after the Distribution per Share as at 31 December 2024.

While the Scheme Consideration is determined by reference to the discount to Adjusted NAV prior to the Distribution as mentioned above, there are other commercial factors including the significant reduction of the assets of the Company following the completion of the Distribution, which in turn would limit the options and ability of Lippo Capital to operate the Company, and the likelihood that Lippo Capital would need to raise future equity funding to support the operations and future development of the Company, which in turn would have a dilutive effect on Lippo Capital’s shareholding in the Company.

However, it is not appropriate to just consider the Scheme Consideration as there is no situation where the Scheme Consideration is paid but not the Distribution as well. The Scheme Shareholders are urged to consider the “Comparison of the combined value of the Scheme Consideration and the Cash Alternative” mentioned above and the “Comparison of the combined value of the Scheme Consideration and the Scrip Alternative” in the following section.

Comparison of the combined value of the Scheme Consideration and the Scrip Alternative

Based on the closing price of HK\$0.820 per LCR Share as quoted on the Hong Kong 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 Share (which is calculated based on such closing price of HK\$0.820 per LCR Share multiplied by the Distribution ratio of 0.615 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 5 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\$0.429¹ 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\$0.393¹ per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date; and
- (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 2024².

Notes:

- 1 The price of the Shares 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.
- 2 Please refer to the section headed “Pro Forma Statement of Adjusted NAV” as set out on pages 100 to 102 of this Scheme Document for further details of the calculation of the Adjusted NAV prior to the Distribution per Share as at 31 December 2024.

Based on the closing price of HK\$0.710 per LCR Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable 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\$0.5767 per Share (which is calculated based on such closing price multiplied by the Distribution ratio of 0.615 and plus the Scheme Consideration), and which represents:

- (a) a discount of approximately 8.46% to the closing price of HK\$0.630 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 25.37% over the closing price of HK\$0.460 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date;
- (c) a premium of approximately 24.56% over the average closing price of approximately HK\$0.463 per Share as quoted on the Hong Kong Stock Exchange for the 5 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 33.50% 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;
- (e) a premium of approximately 40.26% 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;
- (f) a premium of approximately 39.92% 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;
- (g) a premium of approximately 34.47% over the average closing price of approximately HK\$0.429¹ per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (h) a premium of approximately 46.66% over the average closing price of approximately HK\$0.393¹ per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date; and
- (i) a discount of approximately 64.68% to the Adjusted NAV prior to the Distribution per Share of approximately HK\$1.633 as at 31 December 2024².

Notes:

- 1 The price of the Shares 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.
- 2 Please refer to the section headed “Pro Forma Statement of Adjusted NAV” as set out on pages 100 to 102 of this Scheme Document for further details of the calculation of the Adjusted NAV prior to the Distribution per Share as at 31 December 2024.

Pro Forma Statement of Adjusted NAV

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 (as the case may be) 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 (as the case may be) been completed on 31 December 2024 or at any future date. Shareholders are advised to read carefully the independent reporting accountants' assurance report on the compilation of unaudited pro forma financial information which is set out in Appendix V to this Scheme Document.

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
<i>HK\$'million</i> <i>(Note 1)</i>	<i>HK\$'million</i> <i>(Note 2)</i>	<i>HK\$'million</i> <i>(Note 3)</i>	<i>HK\$'million</i>	<i>HK\$'million</i> <i>(Note 4)</i>	<i>HK\$'million</i>
6,982	(6,161)	(16)	805	(562)	243
Unaudited pro forma adjusted consolidated net asset value attributable to Shareholders per Share (Note 5)					
<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
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	<u>(3)</u>
Pro forma adjustment	<u><u>(6,161)</u></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 to 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	<u>(3)</u>
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>)	<u>44.02%</u>
Pro forma adjustment	<u><u>562</u></u>

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 to 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 the Latest Practicable Date.
 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 Accountants' Assurance Report on the Compilation of Pro Forma Financial Information" in Appendix V to this Scheme Document.

Highest and lowest prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$0.64 on 29 May 2025, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$0.307¹ on 4 and 5 December 2024.

Note:

- 1 The price of the Shares 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.

Dividend payment by the Company

As at the Latest Practicable Date, other than the Distribution, 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 Latest Practicable Date, other than the Distribution, the Offeror must reduce the Scheme Consideration by 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 the 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) the approval of the Distribution (by way of poll) by at least a majority of the votes attaching to the Shares held by the Shareholders that are voted either in person or by proxy at the General Meeting;

- (g) 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;
- (h) 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; and
- (i) 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
- (j) since the date of the 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 Offeror and the Company have agreed that the Scheme Condition in paragraph (f) should be added for the purpose of good corporate governance given the size and the importance of the Distribution and to allow the Shareholders the right to vote on whether to approve the Distribution. Lippo Capital has irrevocably undertaken to vote in favour of the resolution to approve the Distribution at the General Meeting.

The Scheme Conditions in paragraphs (a) to (g) (inclusive) cannot be waived. The Offeror reserves the right to waive all or any of the Scheme Conditions in paragraphs (h) to (j) (inclusive) above in whole or in part, either generally or in respect of any particular matter, to the extent that such waiver would not make the Proposal or its implementation in accordance with its terms illegal. The Offeror has irrevocably waived the Scheme Condition in paragraph (j) in its entirety. 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 will lapse.

With reference to the Scheme Condition in paragraph (h), as at the Latest Practicable Date, the Offeror is not aware of any requirement for such Approvals other than those set out in the Scheme Conditions in paragraphs (a) to (f).

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 Latest Practicable Date and based on the information available to the Offeror and the Company, other than pursuant to the Scheme Conditions in paragraphs (a) to (f) (inclusive) above, the Offeror and the Company are not aware of any circumstances which may result in any of the Scheme Conditions in paragraphs (g) to (j) (inclusive) above not being satisfied.

As at the Latest Practicable Date, save for the Scheme Condition in paragraph (j) which has been waived by the Offeror, none of the Scheme Conditions have been fulfilled or waived.

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;
- (b) the approval of the Distribution (by way of poll) by at least a majority of the votes attaching to the Shares held by the Shareholders that are voted either in person or by proxy at the General Meeting; and
- (c) the Scheme having become binding and effective in accordance with its terms and conditions.

The Offeror and the Company have agreed that the Distribution Condition in paragraph (b) should be added for the purpose of good corporate governance given the size and the importance of the Distribution and to allow the Shareholders the right to vote on whether to approve the Distribution. Lippo Capital has irrevocably undertaken to vote in favour of the resolution to approve the Distribution at the General Meeting.

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

As at the Latest Practicable Date, none of the Distribution Conditions have been fulfilled or waived.

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 advisers.

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 Latest Practicable Date, 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 Latest Practicable Date, 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. ARRANGEMENTS IN RELATION TO THE PROPOSAL

As at the Latest Practicable Date:

- (a) save as disclosed in sections headed “6. Shareholding Structure of the Company” and “8. Information on LCR” in Part VIII of this Scheme Document, 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 Relevant Period;
- (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) save for the Facility, 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 Scrip Alternative or the Cash Alternative, 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.

6. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (a) the issued share capital of the Company comprises 493,154,032 Shares;
- (b) the Offeror does not legally and/or beneficially own, control or have direction over any Shares;
- (c) Lippo Capital legally and/or beneficially own, control or have direction over 369,800,219 Shares (representing approximately 74.98% of the issued Shares);
- (d) 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);
- (e) 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);
- (f) 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
- (g) save for the 493,154,032 Shares in issue, the Company does not have any outstanding shares, options, warrants, derivatives, convertible securities or other relevant securities in issue.

Shareholding structure of the Company

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 Latest Practicable Date and immediately upon completion of the Proposal:

Shareholders	As at the Latest Practicable Date		Immediately upon the completion of the Proposal	
	Number of Shares	Approximate % of the issued Shares	Number of Shares	Approximate % of the issued Shares
(A) Offeror ^{(Note (1))}	—	—	123,353,813	25.02
(B) Lippo Capital ^{(Note (2))}	369,800,219	74.98	369,800,219	74.98
(C) Offeror Concert Parties Subject to the Scheme				
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	—	—
	<u>242</u>	<u>0.00</u>	<u>—</u>	<u>—</u>
Sub-total for (A)+(B)+(C)	<u>369,800,461</u>	<u>74.98</u>	<u>493,154,032</u>	<u>100.00</u>
(D) Disinterested Shareholders				
Mr. John Luen Wai Lee ^{(Note (7))}	1,031,250	0.21	—	—
Mr. Jark Pui Lee ^{(Note (7))}	8	0.00	—	—
Other Disinterested Shareholders	<u>122,322,313</u>	<u>24.81</u>	<u>—</u>	<u>—</u>
Total of Disinterested Shareholders	<u>123,353,571</u>	<u>25.02</u>	<u>—</u>	<u>—</u>
TOTAL: (A) + (B) + (C) + (D)	<u>493,154,032</u>	<u>100.00</u>	<u>493,154,032</u>	<u>100.00</u>
(E) Scheme Shareholders: = (C) + (D) ^{(Note (8))}	<u>123,353,813</u>	<u>25.02</u>	<u>—</u>	<u>—</u>

Note (1): As at the Latest Practicable Date, the Offeror does not hold any Shares and the Offeror is wholly-owned by Lippo Capital.

Note (2): As at the Latest Practicable Date, 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 and LCR, holds 1,031,250 Shares, representing approximately 0.21% of the total issued Shares as at the Latest Practicable Date; and
2. Mr. Jark Pui Lee, a non-executive Director, is interested in, through the interest of his spouse, 8 Shares, representing approximately 0.00% of the total issued Shares as at the Latest Practicable Date.

Note (8): Scheme Shares shall include any Shares held by Disinterested Shareholders and all Shares held by Offeror Concert Parties Subject to the Scheme.

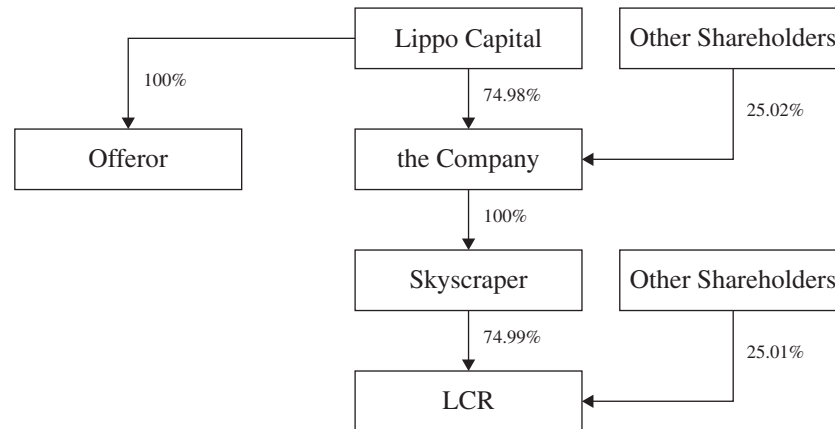
Note: The Financial Adviser and relevant members of the BOCI Group which hold the Shares (or options, warrants or derivatives in respect of them) are presumed to be acting in concert with the Offeror in accordance with class 5 of the definition of “acting in concert” under the Takeovers Code and they did not have any interests in Shares as at the Latest Practicable Date (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).

As at the Latest Practicable Date, (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.

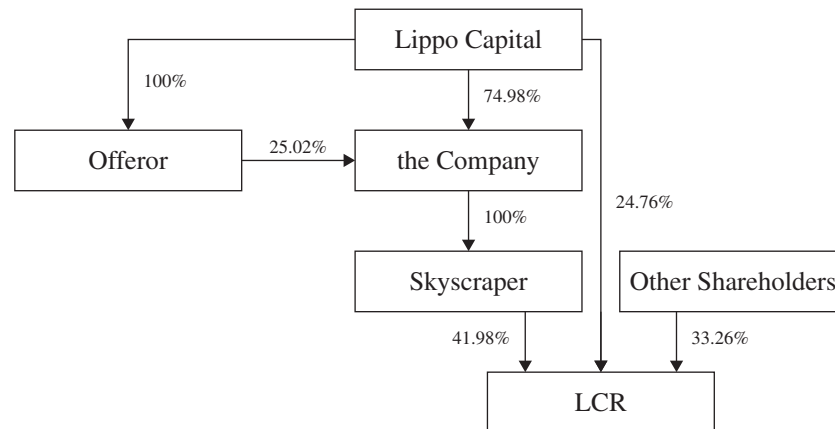
Dr. Stephen Riady, Mr. Davy Kwok Fai Lee and his spouse, Ms. Kitty So Kit Lee, are Offeror Concert Parties.

Since Mr. John Luen Wai Lee and Mr. Jark Pui Lee are only the directors of the Company and do 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 Latest Practicable Date, none of the Directors beneficially has any interests in the Shares.

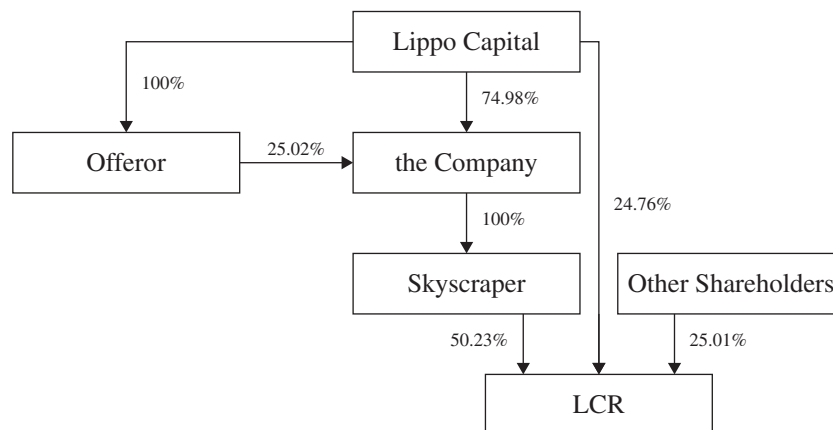
Set out below is a simplified shareholding structure of the Company as at the Latest Practicable Date:



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 all Scheme Shareholders elect 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 and all Scheme Shareholders elect the Cash Alternative:



7. INFORMATION ON THE COMPANY

The Company is a company incorporated in Hong Kong with limited liability whose Shares are 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.

Your attention is also drawn to “Appendix I — Financial Information of the Group” and “Appendix II — General Information of the Group and the Offeror” to this Scheme Document.

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.

Your attention is also drawn to “Appendix III — Financial Information of the LCR Group” and “Appendix IV — General Information of the LCR Group” to this Scheme Document.

Shareholding Structure 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 Latest Practicable Date, 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:

Shareholders	As at the Latest Practicable Date		At the completion of the Distribution			
			Assuming all Scheme Shareholders select Scrip Alternative		Assuming all Scheme Shareholders select Cash Alternative	
	Number of LCR Shares held	Approximate % of the issued LCR Shares	Number of LCR Shares held	Approximate % of the issued LCR Shares	Number of LCR Shares held	Approximate % of the issued LCR Shares
Skyscraper ^(Note 1)	689,018,438	74.99	385,728,708	41.98	461,591,304	50.23
Lippo Capital ^(Note 1)	—	—	227,427,134	24.76	227,427,134	24.76
Mr. James Siu Lung Lee ^(Note 2)	200	0.00	200	0.00	200	0.00
Ms. Min Yen Goh ^(Note 2)	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
Total	918,691,271	100.00	918,691,271	100.00	918,691,271	100.00

Note:

1. Lippo Capital is indirectly legally and beneficially owned by Dr. Stephen Riady and Mr. James Tjahaja Riady as to 60% and 40% respectively of its total issued share capital. Dr. Stephen Riady is a director of Lippo Capital and an executive director of the Company and LCR. 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 Tjahaja Riady and Lippo Capital (a) is deemed to be interested in 689,018,438 LCR Shares held by Skyscraper on the Latest Practicable Date 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 Latest Practicable Date.

As at the Latest Practicable Date, the Offeror is a wholly-owned subsidiary of Lippo Capital, which in turn is indirectly legally and beneficially owned by Dr. Stephen Riady, a director of Lippo Capital and an executive director of the Company and LCR, and Mr. James Tjahaja 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 businesses 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. The Offeror intends for the Company to withdraw the listing of the Shares on the Hong Kong Stock Exchange upon the Scheme being effective.

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 Proposal (including the Scheme and the Distribution) is, or is 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. As at the Latest Practicable Date, 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 has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the Proposal (including the Scheme and the Distribution) is fair and reasonable so far as the Disinterested Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend to the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal (including the Scheme and the Distribution).

The full text of the “Letter from the Independent Financial Adviser” is set out in Part VII of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the Proposal (including the Scheme and the Distribution) is fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal (including the Scheme and the Distribution).

The full text of the “Letter from the Independent Board Committee” in relation to its recommendations with respect to the Proposal is set out in Part VI of this Scheme Document.

13. REASONS FOR AND BENEFITS OF THE PROPOSAL

To the Company:

Trading liquidity

It is noted that trading liquidity in the Shares has been low for a prolonged period over a number of years since 2018. 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 Latest Practicable Date. Such low trading liquidity of the Shares has been creating significant difficulty for the Shareholders to execute on-market disposals without exerting correspondingly significant downward pressure on the price of the Shares and also hinders the Company’s ability to raise funds from the public equity market.

Income source

Each of the Company and LCR is listed on the main board of the Hong Kong Stock Exchange within the same group. 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.

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.

In respect of 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 significantly 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.

As LCR and HKC have not paid material dividends in the last two years, the Company has relied on borrowings to fund its operations and business. However, as substantially all the business activities of the Company are carried out by the LCR Group and the remaining material and substantial assets of the Company are the LCR Shares and the remaining HKC Shares that it holds, it would be difficult for the Company, as a pure investment holding company, to raise any further loan financing from banks and lenders because of the limited income source to support or service further borrowings.

Even if such loan financing were available, it would not be prudent for the Company to borrow further amounts as it comes with the risk of high costs and high risks for the Company given its current financial position, the volatile stock market and the current economic climate. 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 as at 31 December 2024 (excluding the loan repaid prior to the HKC Share Distribution in the amount of HK\$120 million), resulting in high gearing.

As for other income sources, the prohibitions and restrictions under the Listing Rules also restrict the methods where funds may come from LCR to finance the Company.

Cost of expenses for maintaining the Company's listing status

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 and will continue to put a strain on the Company's limited financial resources.

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 using the cost savings that have been freed up.

Sustainability of the continued listing of the Company on the Hong Kong Stock Exchange

In light of the difficulties faced by the Company arising from the lack of business operations of the Company, the reliance on upstream dividend income from LCR as its main source of income (after the completion of the HKC Share Distribution), and the expenditure of costs to service the Company's indebtedness and listing status, the Company would need to undertake substantial fund raising and identify suitable new business opportunities in order to make the continued listing of the Shares viable in the long term.

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. As Lippo Capital is holding approximately 74.98% of the total issued Shares, it will not be able to provide further equity financing on a non-pro rata basis without causing the public float of the Company to fall below 25% which would be in breach of the Listing Rules. Further, any financing from the parent company to the Company will also be subject to the Listing Rules.

In addition to such difficulties, given the structure of the Group with the Company being the indirect holding company of LCR, this has resulted in a higher discount to NAV of the price of the Shares and therefore it would not be advantageous or efficient to raise equity financing at the Company's level as compared to equity financing at the LCR level. In particular, it is noted that even before the HKC Share Distribution, the market value of the Shares was less than the market value of LCR Shares notwithstanding that the Company had a much higher NAV per share.

Further, the Company is unlikely to and has not attracted any offers from any suitable offerors (other than the Offeror) to acquire the Shares. In particular, given the restrictions imposed to prohibit backdoor listings, it is unlikely that any potential purchaser of the Shares would want to acquire the listed shell of the Company.

As such, it is unlikely that the Company would be able to obtain fund raising from equity financing or attract offers from third parties (other than the Offeror) to acquire the Shares in order to sustain the listing of the Shares.

As part of its review of the business and operations of the Company, the Board has also considered the viability of disposing of the assets of the Company in order to wind down the business of the Company and to pay off its liabilities. The most substantial and material assets of the Company are 689,018,438 LCR Shares held by the Company through Skyscraper. If the LCR Shares held by the Company were sold at the market value as at the Last Trading Date of approximately HK\$565 million (equivalent to approximately HK\$0.82 per LCR Share) in the event of a winding down, for illustration purposes, the remaining value of the Company attributable to the Shareholders would be HK\$0.191 per Share (as shown below) which is less than the total entitlement under the Proposal that Shareholders would receive regardless of whether they elect to take the Scrip Alternative or the Cash Alternative. Please refer to the paragraphs headed “2. Terms of the Proposal — The Scheme Consideration and the entitlement under the Distribution” of this Explanatory Memorandum for details of the Scheme Consideration and total entitlement under the Distribution.

As set out in the section headed “Pro Forma Statement of Adjusted NAV”, the Adjusted NAV prior to the Distribution amounted to HK\$805 million (which valued the LCR Shares based on NAV) whereas that the HKC Shares were valued based on market value. If the LCR Shares held by the Group are also valued based on market value, for illustration purpose only, the value amounts to only approximately HK\$94 million (equivalent to approximately HK\$0.191 per Share):

	<i>HK\$' million</i>
Adjusted NAV prior to the Distribution (<i>Note (i)</i>)	805
Less: LCR Shares at NAV (<i>Note (ii)</i>)	(1,276)
Add: LCR Shares at market value (<i>Note (iii)</i>)	565
	94

Notes:

- (i) The amount is extracted from the section headed “Pro Forma Statement of Adjusted NAV”
- (ii) The amount is extracted from Note 4 to the section headed “Pro Forma Statement of Adjusted NAV”
- (iii) The amount represents value of the LCR Shares based on the closing price of HK\$0.82 per LCR Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date

In addition, such disposal of the LCR Shares would likely constitute a very substantial disposal transaction under the Listing Rules for the Company with the need to incur substantial time and costs for compliance; may not be approved by Shareholders or will turn the Company into an empty shell with the risks of being delisted.

Further, it may also trigger an obligation to make a mandatory general offer for LCR as well as TIH Limited, a 39.92% owned associate of the LCR Group and listed on the main board of the Singapore Exchange Securities Trading Limited, by any interested purchaser. These hurdles reduce the attractiveness and restrict the possibility of selling the LCR Shares.

Therefore, the Board considers that it would not be viable for the Company to sell its holdings in LCR in order to raise further funds or wind down the Company.

Given the continued strain on the financial resources of the Company and the limited options that the Company has to obtain further funds, the Proposal would allow the Company to withdraw its listing on the Hong Kong Stock Exchange, which would bring significant cost savings and in turn would allow the Offeror and Lippo Capital to provide funding to the Company, manage the liabilities of the Company and operate the business of the Company without the burden of compliance with the Listing Rules while also providing a return to the Shareholders by way of the Distribution.

To the Scheme Shareholders:

As set out above, the Board has considered that the Shareholders would not directly benefit from the disposal of the LCR Shares as opposed to the Distribution.

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\$0.393¹ per Share as quoted on the Hong Kong Stock Exchange for the 180 trading days up to and including the Last Trading Date.

Note:

¹ The price of the Shares 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.

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, the 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 (including those which are not sizeable in the context of the LCR Group) 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 NAV.

However, if the Scheme is not approved, sanctioned or otherwise lapses, no Distribution will be paid to the Shareholders. The Company would not be able to make the Distribution because the Company would need to retain its assets and cash in order to continue its business and operations as a company listed on the Hong Kong Stock Exchange and to service its liabilities.

Further, the purpose of the Facility is to specifically pay for the Cash Alternative Amount and the expenses incurred by the Company in relation to the Proposal, and therefore, the Company would need to repay the new bank loan under the Facility if the Scheme is not approved, sanctioned or otherwise lapses. Accordingly, the Company would neither be in a position to pay the Cash Alternative Amount nor any other cash dividend in such circumstances. Even if the Company could proceed to pay the Distribution using the Facility despite that the Company would need to repay the new bank loan when the Scheme not having been approved, sanctioned or otherwise lapsed, the Scheme Shareholders would only receive 25.02% of HK\$69.57 million, being the maximum Cash Alternative Amount payable by the Company, on a pro rata basis of the shareholding of the Scheme Shareholders in the Company which is less than the HK\$69.57 million payable to the Scheme Shareholders in full and at the same time, the Company would have to increase its borrowing and gearing while being a listed company, which would not be prudent for the reasons set out above.

14. ACTIONS TO BE TAKEN

The summary of actions to be taken by the Shareholders can be found in "Part III — Actions to be Taken" of this Scheme Document.

15. COURT MEETING AND GENERAL MEETING

As at the Latest Practicable Date, 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 and not one only will be eligible to vote at the Court Meeting.

As at the Latest Practicable Date, Lippo Capital was 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 Latest Practicable Date, the Offeror Concert Parties Subject to the Scheme were 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 of the Company 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.

Notice of the Court Meeting is set out in Appendix VII to this Scheme Document. The Court Meeting will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 August 2025 at 10:45 a.m.

Notice of the General Meeting is set out in Appendix VIII to this Scheme Document. The General Meeting will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 August 2025 at 11:15 a.m. (or, if later, as soon thereafter as the Court Meeting shall have been concluded or adjourned).

Hybrid meeting arrangement

The Court Meeting and the General Meeting will be in the form of a hybrid meeting. In addition to the traditional physical attendance at the Court Meeting and the General Meeting, the Overseas Scheme Shareholders (in the case of the Court Meeting) or the Overseas Shareholders (in the case of the General Meeting) as at the Meeting Record Date have the option of attending, participating and voting in the Court Meeting and/or the General Meeting (as the case may be) through online access by visiting the website at <https://evoting.vistra.com/#/227> and <https://evoting.vistra.com/#/226>, respectively (the “eVoting Portal”).

Overseas Scheme Shareholders as at the Meeting Record Date participating in the Court Meeting and Overseas Shareholders as at the Meeting Record Date participating in the General Meeting using the eVoting Portal will also be counted towards the quorum and will also be able to cast their votes, and submit questions and comments relevant to the proposed resolutions through the eVoting Portal. Overseas Scheme Shareholders and Overseas Shareholders choosing physical attendance at the Court Meeting and/or the General Meeting should not access the eVoting Portal to exercise their voting rights and should use the physical voting papers provided thereat to cast your votes at the Court Meeting or the General Meeting (as the case may be).

Please note that the choice of physical attendance or online attendance through the eVoting Portal would not affect the right of the Overseas Scheme Shareholders and the Overseas Shareholders to appoint the Chairman of the Court Meeting and the Chairman of the General Meeting, respectively, as your proxy to exercise your voting rights at the Court Meeting or the General Meeting (as the case may be). However, in the event that you choose to attend the physical Court Meeting or physical General Meeting (as the case may be) or use the eVoting Portal and vote at the relevant meeting after having lodged your proxy forms, the returned proxy forms shall be deemed to have been revoked by operation of law.

For further details on the hybrid Court Meeting arrangements for the Overseas Scheme Shareholders and hybrid General Meeting arrangements for the Overseas Shareholders, please refer to the notes to the Notice of Court Meeting and Notice of the General Meeting.

For enquiries in respect of above arrangements, please contact the Share Registrar in person, by phone or online form, contact details of which are as follows:

Tricor Investor Services Limited

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

email: is-enquiries@vistra.com

Telephone: (852) 2980 1333 during business hours (from 9:00 a.m. to 5:00 p.m.,
from Monday to Friday, excluding Hong Kong public holidays)

Closure of the Register

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the General Meeting, the Register will be closed from Thursday, 14 August 2025 to Wednesday, 20 August 2025 (both dates inclusive) and during such period, no transfer of Shares will be registered. In order to qualify to vote at the Court Meeting and the General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Wednesday, 13 August 2025. A subsequent purchaser of Shares will need to obtain a proxy form from the transferor if he or she wishes to attend or vote at the Court Meeting or the General Meeting.

Binding effect of the Scheme

When all of the Conditions set out in the section headed “3. Conditions to the Proposal” in “Part VIII — Explanatory Memorandum” of this Scheme Document are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Offeror, the Company and all Scheme Shareholders.

16. 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 with effect immediately from 4:00 p.m. on Thursday, 25 September 2025 subject to the Scheme becoming effective.

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.

17. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Scheme 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, no Scheme Shares will be cancelled or extinguished, the shareholding structure of the Company as at the Latest Practicable Date will not change (assuming that there is no other change in the shareholding structure of the Company from the Latest Practicable Date up to the date on which the Scheme is not approved or the Proposal lapses) as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules.

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.

18. REGISTRATION AND PAYMENT**Entitlements of Scheme Shareholders and Shareholders to receive the Scheme Consideration; and the Cash Alternative Amount or the Scrip Alternative Shares**

Assuming that the Scheme Record Date falls on Thursday, 28 August 2025, it is proposed that the Register will be closed from Thursday, 28 August 2025 (or such other date as Shareholders may be notified by an announcement) onwards in order to determine entitlements under the Scheme and the Distribution. In order to qualify for entitlements under the Scheme and the Distribution, holder of Scheme Shares should ensure that the transfers of Shares to them are lodged with the Share Registrar, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration in their names or in the names of their nominees no later than 4:30 p.m. (Hong Kong time) on Wednesday, 27 August 2025.

Upon the Scheme becoming binding and effective, payment of the Scheme Consideration for the Scheme Shares will be made to the Scheme Shareholders and payment of the Distribution will be made to the Shareholders whose names appear on the Register as at the Scheme Record Date. Assuming that the Scheme becomes binding and effective on Tuesday, 23 September 2025, cheques for the Scheme Consideration and the Cash Alternative Amount (where elected) and the share certificates for the Scrip Alternative Shares (where elected) will be paid for by the Offeror and the Company (as the case may be) as soon as possible but in any event within seven (7) business days following the Scheme having become binding and effective in accordance with its terms and, accordingly, the cheques and share certificates are expected to be despatched on or before Friday, 3 October 2025.

Cheques for the payment for the Scheme Consideration and the Cash Alternative Amount will be sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name then stands first in the Register in respect of the joint holding. All such cheques will be posted at the risk of the persons entitled thereto and none of the Offeror, the Company, the Financial Adviser, the Independent Financial Adviser and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in the despatch of the same.

On or after the day being six calendar months after the posting of such cheques, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror with a licensed bank in Hong Kong selected by the Offeror.

The Offeror shall hold all monies in respect of uncashed cheques on trust until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Scheme, without interest earned thereon, to persons who satisfy the Offeror that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme, and are subject to, if applicable, the deduction of interest, tax or any withholding tax or any other deduction required by law. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account, including accrued interest subject to any deduction required by law and any expenses incurred.

Settlement of the Scheme Consideration and the Cash Alternative Amount to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Scheme Shareholder.

Upon the Scheme becoming effective, the Register will be updated accordingly to reflect the cancellation of all of the Scheme Shares and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on Tuesday, 23 September 2025.

Any share certificates of the Scrip Alternative Shares posted to the Scheme Shareholders (other than Non-Qualifying Shareholders) pursuant to the Distribution which have been returned or undelivered will be cancelled. The share registrar of LCR may at any time thereafter issue new share certificates in respect of such Scrip Alternative Shares to those Scheme Shareholders who can establish their entitlements to its satisfaction and transfer to them all accrued entitlements from the original date of allotment or transfer, as the case may be, in respect of such Scrip Alternative Shares, subject to the payment of any expenses incurred.

19. OVERSEAS SCHEME SHAREHOLDERS

General

This Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules, and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of any other jurisdictions.

This Scheme Document is not intended to, and does not, constitute, or form part of, an offer to buy or sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote, approval or acceptance in any jurisdiction pursuant to the Proposal, the Scheme or otherwise.

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 Overseas Scheme Shareholders and Overseas 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. The Offeror and the Company do not represent that this Scheme Document may be lawfully distributed in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available hereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Offeror and the Company which is intended to permit a public offering or the distribution of this Scheme Document in any jurisdiction (other than in Hong Kong) where action for that purpose is required. Accordingly, Scheme Shareholders are prohibited from (i) copying, distributing or publishing all or part of this Scheme Document or any advertisement or other offering material in any jurisdiction (other than Hong Kong) or (ii) using information contained therein for any purpose other than assessment of the Proposal and/or the Scheme, unless the information is already publicly available in another form.

It is the responsibility of the Overseas Scheme Shareholders and the Overseas Shareholders who wish to take any action in relation to the Proposal and/or the Scheme to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions 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 actions taken by such Overseas Scheme Shareholders and Overseas Shareholders in respect of the Proposal 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.

Shareholders with registered address outside Hong Kong

Based on the Register as at the Latest Practicable Date, there were a total of 37 Shareholders whose addresses as shown on the Register were outside Hong Kong, comprising 12 overseas jurisdictions, including Australia, Brunei, Canada, Macau, Malaysia, New Zealand, Philippines, the PRC, Singapore, Spain, the U.K. and the United States (California, Florida, Illinois, Hawaii and New York) (the “**Overseas Jurisdictions**”), with a total shareholding of 56,677 Shares, representing in aggregate of approximately 0.01% of the total number of issued Shares as at the Latest Practicable Date.

Having made all reasonable enquiries, the Directors had been advised by the local counsel in the Overseas Jurisdictions that there is no restriction under the respective laws or regulations of those jurisdictions against extending the Scheme or despatching this Scheme Document to the Scheme Shareholders. The Scheme will be extended and this Scheme Document will be despatched to those Shareholders whose addresses as shown on the Register of the Overseas Jurisdictions.

Qualifying Shareholders and Non-Qualifying Shareholders

The Scrip Alternative under the Distribution will be available to the Shareholders whose names appear on the Register on the Record Date, but will not be extended to the Non-Qualifying Shareholders.

The Company had consulted legal counsel to ascertain whether or not there are any legal or regulatory requirements or restrictions which would make extending the Scrip Alternative under the Distribution to the Shareholders whose addresses as shown on the Register are located in the aforesaid overseas jurisdictions administratively prohibitive or inexpedient. The Company, based on the results of such enquiries made, considers it unduly burdensome to make the Scrip Alternative under the Distribution to any such Shareholder or Beneficial Owner with an address located in Canada, Philippines, Singapore and the United States (the “**Excluded Jurisdictions**”).

Accordingly, the Non-Qualifying Shareholders are Shareholders and Beneficial Owners (if any) of Scheme Shares whose addresses as appearing on the Register are, or which are otherwise known by the Company to be, in these Excluded Jurisdictions. As at the Latest Practicable Date, the registered Non-Qualifying Shareholders had a total shareholding of 41,802 Shares, representing in aggregate approximately 0.008% of the total number of issued Shares as at the Latest Practicable Date.

With respect to the Excluded Jurisdictions, the Company has been advised that there are applicable legal or regulatory requirements or restrictions and the Directors consider that, as additional time and resources are required to establish the satisfaction of the relevant requirements or exemptions, it is expedient and beneficial to the Company and the Shareholders as a whole to exclude the Shareholders whose respective addressees as shown on the Register are in the Excluded Jurisdictions on the Scheme Record Date from receiving the Scrip Alternative and to regard such Shareholders as Non-Qualifying Shareholders.

With respect to Australia, Brunei, Macau, Malaysia, New Zealand, the PRC, Spain, and the U.K., the Company has been advised that there are no such legal or regulatory restrictions requiring the exclusion of such Shareholder(s) from the Scrip Alternative under the Distribution. Having considered such advice provided by the legal counsel, the Directors are of the view that the Scrip Alternative Distribution will be extended to the Shareholders whose addresses as shown on the Register are in Australia, Brunei, Macau, Malaysia, New Zealand, the PRC, Spain, and the U.K. on the Scheme Record Date.

Shareholders with registered addresses outside Hong Kong should consult their own professional advisers as to whether or not they are permitted to receive the Scrip Alternative Shares under the Distribution or if any governmental or other consent is required or if any other formalities need to be observed and whether there are any other restrictions in relation to the future sale of any Scrip Alternative Shares so received.

Notwithstanding the arrangements with regard to the Shareholders with registered addresses outside Hong Kong as described above, the Board reserves the ultimate right to exclude any Shareholder from electing the Scrip Alternative under the Distribution if it believes that the transfer of the Scrip Alternative to such person(s) may violate any applicable legal and/or regulatory requirements in any jurisdiction or may be administratively prohibitive or inexpedient.

By accepting any Scrip Alternative Shares, each Shareholder will be deemed to represent and warrant to the Company and LCR that neither such Shareholder nor any Beneficial Owner for which it holds Shares is located in an Excluded Jurisdiction. If you are in doubt as to your position, you should consult your professional advisers.

Arrangement for Non-Qualifying Shareholders

As the Scrip Alternative under the Distribution will not be extended to the Non-Qualifying Shareholders, the Non-Qualifying Shareholders will not be able to elect to receive their entitlements under the Distribution in scrip form (as Scrip Alternative Shares). Subject to the Scheme being approved and implemented and the Distribution Conditions being satisfied, the Non-Qualifying Shareholders will automatically receive the Scheme Consideration and Cash Alternative Amount.

Any Non-Qualifying Shareholder who receives a Form of Election will be deemed to have received the Form of Election for information purpose only.

Notice to Overseas Shareholders in Australia

This Scheme Document is not a prospectus, disclosure document or product disclosure statement within the meaning of those terms under the Corporations Act 2001 (Commonwealth of Australia). This Scheme Document is not required to, and does not, contain all the information which would be required in such a document.

This Scheme Document: (i) has not been prepared specifically for Australian investors; (ii) may contain references to dollar amounts that are not Australian dollars; (iii) may contain financial information that is not prepared in accordance with Australian law or practices; (iv) may not address risks associated with an investment in foreign currency denominated investments; and (v) does not contain information about Australian laws relating to tax, duty, goods and services tax (“GST”) or any other imposts.

This Scheme Document will not be, and is not required to be, lodged with the Australian Securities and Investments Commission (“ASIC”) or any other Australian regulatory authority, and neither ASIC nor any other Australian regulatory authority takes responsibility for the content of this Scheme Document.

Before making an investment decision on the basis of this Scheme Document, you need to consider whether this investment is appropriate in the light of your own circumstances. The information contained in this Scheme Document does not take into account the investment objectives, financial situation and particular needs of any particular person.

The issuer of this Scheme Document is not licensed to provide financial product advice under the Corporations Act (Commonwealth of Australia), and you should read this Scheme Document in full before making any decision in connection with this Scheme Document.

20. TAXATION ADVICE

As the cancellation of the Scheme Shares upon the Scheme becoming effective does not involve the sale and purchase of any Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) in this respect.

The holder of Scheme Shares, whether in Hong Kong or in other jurisdictions, are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal and, in particular, whether the receipt of the Scheme Consideration and/or the Distribution will make them liable to taxation in Hong Kong or in other jurisdictions.

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

21. 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 shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code. Given that the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, Rule 2.3 of the Takeovers Code is not applicable.

22. REQUIREMENTS UNDER COMPANIES ORDINANCE AND THE TAKEOVERS CODE**The Companies Ordinance**

Under Section 670 of the Companies Ordinance, where an arrangement is proposed to be entered into by a company with the members, or any class of the members, of the company, the High Court may, on an application made by the company, any of the members or any member of that class, order a meeting of those members or of that class of members, as the case may be, to be summoned in any manner that the High Court directs.

Under Section 673 of the Companies Ordinance, if the members or the class of members with whom the arrangement is proposed to be entered into agree or agrees to the arrangement, the High Court may, on application by the company, any of the members or any member of that class, as the case may be, sanction the arrangement. An arrangement sanctioned by the High Court as aforesaid is binding on the members or the class of members with whom the arrangement is proposed to be entered into.

The Scheme is a takeover offer under Section 674 of the Companies Ordinance. Under Section 674 of the Companies Ordinance, where the arrangement involves a takeover offer, the members or the class of members agree or agrees to the arrangement if, at a meeting summoned as directed by the High Court as aforesaid, members representing at least 75% of the voting rights of the members or the class of members, as the case may be, present and voting, in person or by proxy, agree to the arrangement and the votes cast against the arrangement at the meeting do not exceed 10% of the total voting rights attached to all Disinterested Shares (as defined in Section 674(3) of the Companies Ordinance) in the company or of the class in the company, as the case may be.

Additional requirements as imposed by Rule 2.10 of the Takeovers Code

In addition to satisfying any requirements imposed by law as summarised above, Rule 2.10 of the Takeovers Code requires, except with the consent of the Executive, that the Scheme may only be implemented if:

- (a) the scheme is approved by at least 75% of the votes attaching to the Disinterested Shares that are cast either in person or by proxy at a duly convened meeting of shareholders; and
- (b) the number of votes cast against the resolution to approve the Scheme at such meeting is not more than 10% of the votes attaching to all Disinterested Shares.

As the Offeror and Lippo Capital are not Scheme Shareholders, they will not vote on the Scheme at the Court Meeting.

The Offeror Concert Parties Subject to the Scheme, being Mr. Wai Ming Wan, Mr. Man Cho Lee, Mr. Davy Kwok Fai Lee and Ms. Kitty So Kit Lee, who in aggregate held 242 Shares, representing approximately 0.00% of the total issued Shares as at the Latest Practicable Date, will abstain from voting on the Scheme at the Court Meeting. As at the Latest Practicable Date, the Disinterested Shareholders were interested in 123,353,571 Shares and the number representing 10% of the Disinterested Shares is 12,335,357 Shares.

23. RECOMMENDATION

Your attention is drawn to the recommendations of the Independent Board Committee in respect of the Proposal as set out in the “Letter from the Independent Board Committee” in Part VI of this Scheme Document.

Your attention is also drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal as set out in Part VII of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal.

24. ADDITIONAL INFORMATION

Additional information in relation to the Proposal is set out in the appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Memorandum.

Shareholders and Scheme Shareholders should rely only on the information contained in this Scheme Document. None of the Company, the Offeror, the Financial Adviser, the Independent Financial Adviser and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal have authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

25. GENERAL

In case of inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

Given that the Proposal will be implemented by way of the Scheme, compulsory acquisition is not applicable and the Offeror has no powers of compulsory acquisition in relation to the Proposal.

1. FINANCIAL SUMMARY

The following is a summary of the audited consolidated financial results of the Group for each of the three years ended 31 December 2022, 2023 and 2024. The figures for each of the three years ended 31 December 2022, 2023 and 2024 are extracted from the annual reports of the Company.

The auditor's reports from the Company's auditors, Ernst & Young, in respect of the Group for each of the three years ended 31 December 2022, 2023 and 2024 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Save as disclosed below, there were no items of any income or expense which were material in respect of the consolidated financial results of the Group for each of the three years ended 31 December 2022, 2023 and 2024.

	For the year ended 31 December		
	2022	2023	2024
	(Audited)	(Audited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000
Revenue	677,773	813,522	848,843
Cost of sales	<u>(292,680)</u>	<u>(311,308)</u>	<u>(302,853)</u>
Gross profit	385,093	502,214	545,990
Administrative expenses	(420,678)	(442,360)	(433,539)
Other operating expenses	(142,787)	(168,725)	(199,806)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	(105,856)	19,629	(63,617)
Net fair value loss on investment properties	(24,311)	(26,523)	(18,424)
Provision for impairment losses on fixed assets	—	—	(87,084)
Other gains/(losses) — net	13,757	(10,917)	(1,514)
Litigation settlement	—	—	(386,482)
Finance costs	(71,263)	(111,030)	(118,601)
Share of results of associates	(39,694)	960	53,525
Share of results of joint ventures	<u>549,936</u>	<u>169,707</u>	<u>(1,196,640)</u>
Profit/(Loss) before tax	144,197	(67,045)	(1,906,192)
Income tax	<u>(86)</u>	<u>(1,637)</u>	<u>(9,200)</u>
Profit/(Loss) for the year	<u>144,111</u>	<u>(68,682)</u>	<u>(1,915,392)</u>
Attributable to:			
Equity holders of the Company	125,281	(35,381)	(1,411,596)
Non-controlling interests	<u>18,830</u>	<u>(33,301)</u>	<u>(503,796)</u>
	<u>144,111</u>	<u>(68,682)</u>	<u>(1,915,392)</u>

	For the year ended 31 December		
	2022	2023	2024
	(Audited)	(Audited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000
Profit/(Loss) for the year	<u>144,111</u>	<u>(68,682)</u>	<u>(1,915,392)</u>
Other comprehensive income/(loss)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(58,607)	(11,297)	(28,411)
Exchange differences reclassified to profit or loss upon:			
Liquidation of foreign operations	(21,926)	—	35
Derecognition of a foreign associate	—	13	—
Deemed disposal of a foreign associate	(12)	—	—
Share of other comprehensive income/(loss) of associates	6,357	12,096	(30,782)
Share of other comprehensive income/(loss) of joint ventures:			
Exchange differences on translation of foreign operations	(662,884)	(78,555)	(349,022)
Other reserve	<u>22,287</u>	<u>(9,174)</u>	<u>4,132</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	<u>(714,785)</u>	<u>(86,917)</u>	<u>(404,048)</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity instruments at fair value through other comprehensive income	(25,911)	(40,897)	(2,962)
Share of changes in fair value of equity instruments at fair value through other comprehensive income of joint ventures	<u>(421,980)</u>	<u>(96,716)</u>	<u>(32,719)</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods, net of tax	<u>(447,891)</u>	<u>(137,613)</u>	<u>(35,681)</u>
Other comprehensive loss for the year, net of tax	<u>(1,162,676)</u>	<u>(224,530)</u>	<u>(439,729)</u>
Total comprehensive loss for the year	<u>(1,018,565)</u>	<u>(293,212)</u>	<u>(2,355,121)</u>
Attributable to:			
Equity holders of the Company	(727,189)	(193,879)	(1,731,323)
Non-controlling interests	<u>(291,376)</u>	<u>(99,333)</u>	<u>(623,798)</u>
	<u>(1,018,565)</u>	<u>(293,212)</u>	<u>(2,355,121)</u>

	For the year ended 31 December		
	2022	2023	2024
	(Audited)	(Audited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000
Distribution			
Special interim distribution (<i>Note</i>)	<u>—</u>	<u>—</u>	<u>322,227</u>
	HK\$	HK\$	HK\$
Distribution per share	<u>—</u>	<u>—</u>	<u>0.65</u>
	HK\$	HK\$	HK\$
Earnings/(Loss) per share attributable to equity holders of the Company			
Basic and diluted	<u>0.25</u>	<u>(0.07)</u>	<u>(2.86)</u>

Note:

On 27 December 2024, the Board declared a special interim distribution in the form of distribution in specie of up to 1,193,432,757 HKC Shares, representing approximately 59.72% of the then total number of issued HKC Shares, to the Shareholders in proportion to their respective shareholdings in the Company on the basis of 2,420 HKC Shares for every 1,000 Shares held by the qualifying shareholders.

2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement shown in the (i) audited consolidated financial statements of the Group for the year ended 31 December 2024 (the “**2024 Financial Statements**”), (ii) audited consolidated financial statements of the Group for the year ended 31 December 2023 (the “**2023 Financial Statements**”) and (iii) audited consolidated financial statements of the Group for the year ended 31 December 2022 (the “**2022 Financial Statements**”), together with the material accounting policies and any points from the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The 2024 Financial Statements are set out on pages 92 to 198 of the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report 2024**”), which was published on 29 April 2025. The Annual Report 2024 is posted on the websites of the Company at <https://www.lippoltd.com.hk/> and the Hong Kong Stock Exchange at <https://www.hkexnews.hk/index.htm>, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042903469.pdf>.

The 2023 Financial Statements are set out on pages 88 to 190 of the annual report of the Company for the year ended 31 December 2023 (the “**Annual Report 2023**”), which was published on 29 April 2024. The Annual Report 2023 is posted on the websites of the Company at <https://www.lippoltd.com.hk/> and the Hong Kong Stock Exchange at <https://www.hkexnews.hk/index.htm>, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042903268.pdf>.

The 2022 Financial Statements are set out on pages 82 to 190 of the annual report of the Company for the year ended 31 December 2022 (the “**Annual Report 2022**”), which was published on 27 April 2023. The Annual Report 2022 is posted on the websites of the Company at <https://www.lippoltd.com.hk/> and the Hong Kong Stock Exchange at <https://www.hkexnews.hk/index.htm>, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042701693.pdf>.

The 2024 Financial Statements, the 2023 Financial Statements and the 2022 Financial Statements (but not any other part of the Annual Report 2024, the Annual Report 2023 and the Annual Report 2022) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

3. STATEMENT OF INDEBTEDNESS

As at 31 May 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Scheme Document, the Group had the following outstanding indebtedness:

(a) Borrowings

As at 31 May 2025, the Group had the following outstanding bank and other borrowings:

	<i>HK\$' million</i>
Bank loans — secured (<i>Note (i)</i>)	781
Bank loan — unsecured (<i>Note (ii)</i>)	75
Other loans — unsecured (<i>Note (iii)</i>)	<u>790</u>
 Total bank and other borrowings	 <u><u>1,646</u></u>

Notes:

- (i) The amount represented bank loans of the LCR Group which were secured by charges over certain investment properties, land and buildings, listed shares held by the LCR Group, and all the assets of certain subsidiaries of the LCR Group.
- (ii) The amount represented an unsecured bank loan of the Company and after completion of the Proposal, each of Lippo Capital, the Company and Skyscraper shall provide a charge over shares in LCR held by them to secure the bank loan.
- (iii) The amount represented unsecured other loans of the Company.

(b) Lease liabilities

As at 31 May 2025, the Group's lease liabilities represented the lease liabilities of the LCR Group. The LCR Group had lease liabilities of approximately HK\$145 million, which were unsecured and unguaranteed.

(c) Contingent liabilities

As at 31 May 2025, the Group's contingent liabilities represented the contingent liabilities of the LCR Group. The LCR Group had secured bankers' guarantees of approximately HK\$1 million and unsecured bankers' guarantees of approximately HK\$4 million. The secured bankers' guarantees were secured by certain assets of the LCR Group.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 31 May 2025, have any outstanding debt securities (whether issued and outstanding, authorised or otherwise created but unissued), term loans (whether guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) or unsecured), other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments (whether guaranteed, unguaranteed, secured and unsecured borrowing and debt), mortgages and charges, contingent liabilities or guarantees.

The Directors confirm that, save as disclosed above, there have been no material changes in the indebtedness and contingent liabilities of the Group since 31 May 2025.

4. NO MATERIAL CHANGE

Save as disclosed below, as well as (i) the Proposal as set out in this Scheme Document; and (ii) the proposed capital reduction by the Company to enable it to have sufficient distributable reserves to make the Distribution (details of which are set out in the announcement of the Company dated 9 May 2025 and the circular of the Company dated 23 May 2025), the Directors confirm that, as of the Latest Practicable Date, there has been no material change in the financial or trading position or outlook of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up and up to the Latest Practicable Date.

The HKC Share Distribution

As disclosed in the Annual Report 2024 of the Company, the Company declared the HKC Share Distribution in December 2024. Following the completion of the HKC Share Distribution in January 2025, HKC ceased to be a subsidiary of the Company and the Company indirectly held approximately 14.23% of the total number of issued HKC Shares as at the Latest Practicable Date. Further details of the HKC Share Distribution are set out in the announcements of the Company and HKC dated 27 December 2024, and the Annual Report 2024 of the Company.

1. RESPONSIBILITY STATEMENT

As at the Latest Practicable Date, (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 Lippo Capital jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (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 Scheme Document (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 Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

As at the Latest Practicable Date, the Board comprises nine directors, namely Dr. Stephen Riady, Mr. John Luen Wai Lee, Mr. Davy Kwok Fai Lee, Mr. Brian Riady, Mr. Jark Pui Lee, Mr. Leon Nim Leung Chan, Mr. King Fai Tsui, Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh, who jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (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 Scheme Document (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 Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

- (a) the issued share capital of the Company was 493,154,032 Shares;
- (b) all Shares in issue were fully paid or credited as fully paid and rank *pari passu* in all respects with each other, including, as to rights to capital, dividends and voting;
- (c) no Shares had been issued and bought back by the Company since 31 December 2024, being the end of the last financial year of the Company up to and including the Latest Practicable Date; and
- (d) save for the 493,154,032 Shares in issue, the Company did not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue.

3. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Hong Kong Stock Exchange (i) at the last trading date of each of calendar months during the Relevant Period; (ii) on the Last Trading Date; and (iii) on the Latest Practicable Date.

Date	Closing price per Share HK\$
29 November 2024	0.32 [#]
31 December 2024	0.521 [#]
28 January 2025	0.44
28 February 2025	0.415
31 March 2025	0.40
30 April 2025	0.41
16 May 2025 (being the Last Trading Date)	0.46
30 May 2025	0.63
30 June 2025	0.61
18 July 2025 (being the Latest Practicable Date)	0.63

During the Relevant Period, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$0.64 on 29 May 2025, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$0.307[#] on 4 and 5 December 2024.

[#] *The price of the Shares 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.*

4. DISCLOSURE OF INTERESTS

4.1 Directors' and chief executive's interests in the Shares

As at the Latest Practicable Date, the interests of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company were as follows:

Name of Director	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the total issued share capital of the Company
Dr. Stephen Riady	Interest of controlled corporations ^{Note (1)}	369,800,219	74.98%
Mr. John Luen Wai Lee	Beneficial owner	1,031,250	0.21%
Mr. Davy Kwok Fai Lee	Beneficial owner and interest of spouse ^{Note (2)}	96	0.00%
Mr. Jark Pui Lee	Interest of spouse	8	0.00%

Notes:

- (1) Lippo Capital was directly interested in 369,800,219 Shares in, representing approximately 74.98% of the issued Shares of, the Company. Lippo Capital was a 60% owned subsidiary of Lippo Capital Holdings, which in turn was a wholly-owned subsidiary of Lippo Capital Group. Dr. Stephen Riady was the beneficial owner of one ordinary share in, representing 100% of the issued share capital of, Lippo Capital Group.
- (2) The 96 shares comprised of 48 Shares held by Mr. Davy Kwok Fai Lee as beneficial owner and 48 Shares held by his spouse as beneficial owner.

Save as disclosed above, as at the Latest Practicable Date and during the Relevant Period, none of the Directors or the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares and debentures of the Company. For the purpose of this paragraph, "interests" have the meanings given to those terms in Part XV of the SFO.

4.2 Interests of Substantial Shareholders in the Shares

As at the Latest Practicable Date, the Company had been notified of the following substantial shareholders' interests in the Shares and underlying Shares of the Company, which have been recorded in the register required to be kept by the Company pursuant to Section 336 of Part XV of the SFO. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

Name of Shareholder	Capacity/Nature of interest	Number of Shares held ^(Notes)	Approximate percentage of the total issued share capital of the Company
Lippo Capital	Beneficial owner	369,800,219	74.98%
Lippo Capital Holdings	Interest of controlled corporation	369,800,219	74.98%
Lippo Capital Group	Interest of controlled corporations	369,800,219	74.98%
Madam Shincee Leonardi	Interest of spouse	369,800,219	74.98%
PT Trijaya	Interest of controlled corporation	369,800,219	74.98%
Mr. James Tjahaja Riady	Interest of controlled corporations	369,800,219	74.98%
Madam Aileen Hambali	Interest of spouse	369,800,219	74.98%

Notes:

- (1) 369,800,219 Shares were held by Lippo Capital directly as beneficial owner.
- (2) Lippo Capital Holdings owned 60% of the issued shares in Lippo Capital. Lippo Capital Group owned 100% of the issued share capital of Lippo Capital Holdings. Dr. Stephen Riady was the beneficial owner of 100% of the issued share capital of Lippo Capital Group. Madam Shincee Leonardi is the spouse of Dr. Stephen Riady.
- (3) PT Trijaya owned the remaining 40% of the issued shares in Lippo Capital. PT Trijaya was wholly owned by Mr. James Tjahaja Riady who is a brother of Dr. Stephen Riady. Madam Aileen Hambali is the spouse of Mr. James Tjahaja Riady.
- (4) Lippo Capital's interests in the Shares were recorded as the interests of Lippo Capital Holdings, Lippo Capital Group, Madam Shincee Leonardi, PT Trijaya, Mr. James Tjahaja Riady and Madam Aileen Hambali. The above 369,800,219 Shares related to the same block of Shares that Dr. Stephen Riady was interested, details of which are disclosed in the section headed "4.1 Directors' and chief executive's interests in the Shares" in this Appendix II.

Save as disclosed above, as at the Latest Practicable Date, according to the register kept by the Company under Section 336 of the SFO, there was no other person (other than the Directors or chief executive of the Company) who had any interests or short positions in the Shares or underlying Shares of the Company as at the Latest Practicable Date.

4.3 Interests of the Offeror and Offeror Concert Parties in the Shares

As at the Latest Practicable Date, the Offeror did not hold any Shares and the Offeror Concert Parties held 369,800,219 Shares (representing approximately 74.98% of the issued Shares) (the breakdown as shown below). Save as disclosed above, as at the Latest Practicable Date, none of the Offeror and the Offeror Concert Parties was interested within the meaning of Part XV of the SFO in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

Name of Shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the total issued share capital of the Company
Lippo Capital ^{(Note (1))}	Beneficial owner	369,800,219	74.98%
Mr. Wai Ming Wan ^{(Note (2))}	Beneficial Owner	48	0.00%
Mr. Man Cho Lee ^{(Note (3))}	Beneficial Owner	98	0.00%
Mr. Davy Kwok Fai Lee ^{(Note (4))}	Beneficial Owner	48	0.00%
Ms. Kitty So Kit Lee ^{(Note (5))}	Beneficial Owner	48	0.00%

Notes:

- (1) 369,800,219 Shares were held by Lippo Capital as beneficial owner.
- (2) Mr. Wai Ming Wan is the sole director of the Offeror.
- (3) Mr. Man Cho Lee is a director of Lippo Capital.
- (4) Mr. Davy Kwok Fai Lee is a director of Lippo Capital, the Company and LCR.
- (5) Ms. Kitty So Kit Lee is the spouse of Mr. Davy Kwok Fai Lee.

4.4 Dealings in the securities of the Company

During the Relevant Period:

- (a) none of the Offeror, its director or the Offeror Concert Parties had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares;
- (b) none of the Directors had any dealings in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares;
- (c) no irrevocable commitment to vote for or against the Scheme had been received by the Directors, the Offeror or any of the Offeror Concert Parties;
- (d) save for the Facility, there were 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 between the Offeror or any of the Offeror Concert Parties and any other person;
- (e) none of the Offeror or any of the Offeror Concert Parties had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (f) no subsidiaries of the Company, pension funds (if any) of any member of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or any associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (excluding any exempt principal trader or exempt fund manager) owned or controlled, or had any dealings in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares;
- (g) save for the Proposal and the Facility, no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (h) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with (i) the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or with any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, or (ii) the Offeror or the Offeror Concert Parties, owned or controlled, or had any dealings in, any Shares, convertible securities, warrants, options and derivatives in respect of the Shares; and

- (i) no fund managers connected with the Company who managed funds on a discretionary basis (other than exempt fund managers) had any dealings in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares.

4.5 Interests and dealings in the securities of the Offeror

- (a) As at the Latest Practicable Date, the Company did not own any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror.
- (b) As at the Latest Practicable Date, the Offeror was a wholly-owned subsidiary of Lippo Capital, which in turn was indirectly legally and beneficially owned by Dr. Stephen Riady (who is a Director) and Mr. James Tjahaja Riady as to 60% and 40% respectively of its total issued share capital.
- (c) As at the Latest Practicable Date, save as disclosed above, none of the Directors were interested within the meaning of Part XV of the SFO in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror.
- (d) During the Relevant Period, none of the Company or any of the Directors had any dealings in the shares of the Offeror, convertible securities, warrants, options and derivatives in respect of the shares of the Offeror.

4.6 Other interests

As at the Latest Practicable Date:

- (a) no Shares or any convertible securities, warrants, options or derivatives issued by the Company were owned or controlled by a subsidiary of the Company, a pension fund (if any) of any member of the Group, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert”, or an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (other than exempt principal traders and exempt fund managers);
- (b) save for the Proposal and the Facility, no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (c) no Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by any fund managers connected with the Company (other than exempt fund managers); and

- (d) none of the Company, the Directors, the Offeror or any of the Offeror Concert Parties had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

5. ARRANGEMENTS IN CONNECTION WITH THE PROPOSAL

Pursuant to the Facility, subject to certain conditions, each of Lippo Capital, the Company and Skyscraper shall, after the completion of the Proposal, provide a charge over shares in LCR held by them and any proceeds arising from the disposal of such shares shall be used to first repaying the loan under the Facility. In addition, the Company and Lippo Capital shall jointly own and control not less than 55% of the entire issued share capital in each of LCR and HKC, and shall together remain as the single largest shareholder of each of LCR and HKC. Lippo Capital has also undertaken that, amongst other things, throughout the subsistence of the Facility, it shall (directly or indirectly) own not less than 74.98% of the issued share capital of the Company.

As at the Latest Practicable Date:

- (a) save for the Facility, there were 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 between the Offeror or any of the Offeror Concert Parties and any other person;
- (b) save for the Facility, there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal, and the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Proposal to any other person;
- (c) save for the Facility, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or the Offeror Concert Parties on the one hand, and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or that was dependent upon the Proposal;
- (d) there was no agreement or arrangement to which the Offeror or any Offeror Concert Party 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;
- (e) no irrevocable commitment to vote for or against the Scheme had been received by the Directors, the Offeror or any of the Offeror Concert Parties;
- (f) there was 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

- (g) save for the Scheme Consideration and the Scrip Alternative or the Cash Alternative, there was 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.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against any member of the Group.

7. MATERIAL CONTRACTS

Save as disclosed below, none of the members of the Group had entered into any material contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group, within the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date:

- (a) a sale and purchase agreement dated 28 November 2023 entered into between Direct Union Limited (“**DUL**”), a wholly-owned subsidiary of LCR which in turn is a subsidiary of the Company, and H2G Green Limited (“**H2G**”), pursuant to which DUL agreed to sell and H2G agreed to purchase 616,648 ordinary shares in Gashubunited Utility Private Limited at a consideration of S\$2,062,071 which would be satisfied by way of the allotment and issue of 126,507,423 new ordinary shares in H2G;
- (b) a settlement agreement and mutual release dated 20 September 2024 (the “**Settlement Agreement**”) entered into among LCR and its certain subsidiaries (which had minority ownership interest in Skye Mineral Partners, LLC (“**SMP**”)) and certain related persons (the “**LCR Parties**”) and (ii) major investors of SMP and related persons (the “**Counterparties**”), pursuant to which the parties agreed to fully and forever release and discharge all the claims against each other (the “**Settlement**”). In consideration of the Settlement, the LCR Parties agreed to pay US\$49.5 million to the Counterparties under the Settlement Agreement;
- (c) a loan agreement dated 20 November 2024 entered into between the Company, as lender, and Lippo ASM Asia Property Limited, a former joint venture of the Company, as borrower, for a loan of up to HK\$70,000,000 for a term of 36 months from the drawdown date;
- (d) the Facility Agreement;
- (e) a letter dated 20 May 2025 relating to the Facility containing certain undertakings issued by the Company to Bank of China (Hong Kong) Limited (“**BOCHK**”);
- (f) a subordination deed dated 20 May 2025 relating to the Facility entered into between (i) the Company, as debtor; (ii) Dr. Stephen Riady, a controlling shareholder of the Company, as subordinated creditor; and (iii) BOCHK;

- (g) a subordination deed dated 20 May 2025 relating to the Facility entered into between (i) the Company as debtor; (ii) Golden Concord Asia Limited, a joint venture of Lippo Capital, as subordinated creditor; and (iii) BOCHK; and
- (h) a subordination deed dated 20 May 2025 relating to the Facility entered into between (i) the Company as debtor; (ii) Lippo Capital as subordinated creditor; and (iii) BOCHK.

8. ARRANGEMENTS IN CONNECTION WITH THE DIRECTORS

As at the Latest Practicable Date:

- (a) no arrangement (other than statutory compensation required under appropriate laws) was in place for any benefit that would be given to any Director as compensation for loss of office or otherwise in connection with the Proposal;
- (b) there was no agreement, arrangement or understanding (including any compensation arrangement) between any Director and any other person which are conditional on or dependent upon the outcome of the Proposal or otherwise connected with the Proposal; and
- (c) there were no material contracts entered into by the Offeror in which any Director has a material personal interest.

9. DIRECTORS' SERVICE CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) had been entered into or amended within six months before the commencement of the Offer Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period:

- (a) Dr. Stephen Riady entered into a letter agreement with each of the Company, LCR and HKC as an executive director for a term of two years commencing from 1 January 2025 and expiring on 31 December 2026, which will be terminable by either party by giving three months' prior written notice or in accordance with the respective articles of association or bye-laws (as the case may be) and/or the Listing Rules. The director's fee payable to Dr. Riady under each of the above letter agreements has been adjusted from HK\$274,800 per annum to HK\$284,400 per annum with effect from 1 April 2025.

Dr. Riady also entered into an employment agreement (as supplemented) with each of the Company, LCR and HKC as executive president with effect from 1 January 2015, which will be terminable by either party by giving three months' prior written notice or payment in lieu of notice. The salary payable to Dr. Riady under each of the above employment agreements is HK\$1,045,800 per annum. In addition, Dr. Riady is also entitled to receive discretionary bonus which is determined by the performance and the remuneration committee of the relevant companies.

In addition, Dr. Riady entered into a service agreement (as supplemented) with Auric Pacific Group Limited, a non-wholly owned subsidiary of LCR, as an executive director which will be terminable by either party by giving six months' prior written notice. Under the above service agreement, Dr. Riady is entitled to receive a salary of S\$180,000 per annum.

- (b) Mr. John Luen Wai Lee entered into a letter agreement with each of the Company, LCR and HKC as an executive director for a term of two years commencing from 1 January 2025 and expiring on 31 December 2026, which will be terminable by either party by giving three months' prior written notice or in accordance with the respective articles of association or bye-laws (as the case may be) and/or the Listing Rules. The director's fee payable to Mr. Lee under each of the above letter agreements has been adjusted from HK\$274,800 per annum to HK\$284,400 per annum with effect from 1 April 2025.

Mr. Lee also entered into an employment agreement (as supplemented) with each of LCR and HKC as the deputy chairman which will be terminable by either party by giving three months' prior written notice or payment in lieu of notice. The salary payable to Mr. Lee under each of the above employment agreements is HK\$609,600 per annum. In addition, Mr. Lee is also entitled to receive discretionary bonus which is determined by the performance and the remuneration committee of the relevant companies.

- (c) Mr. Davy Kwok Fai Lee entered into a letter agreement with each of the Company, LCR and HKC as an executive director for a term of two years commencing from 7 June 2024 and expiring on 6 June 2026, which will be terminable by either party by giving three months' prior written notice or in accordance with the respective articles of association or bye-laws (as the case may be) and/or the Listing Rules. The director's fee payable to Mr. Lee under each of the above letter agreements has been adjusted from HK\$274,800 per annum to HK\$284,400 per annum with effect from 1 April 2025.

Mr. Lee entered into an employment agreement for his employment as the chief executive officer of the Company with effect from 7 June 2024, which will be terminable by either party by giving three months' prior written notice or payment in lieu of notice. Under the above employment agreement, Mr. Lee is entitled to receive a salary of HK\$252,000 per annum. Mr. Lee also entered into an employment agreement (as supplemented) with each of LCR and HKC as the chief executive officer with effect from 7 June 2024, which will be terminable by either party by giving three months' prior written notice or payment in lieu of notice. Under the above employment agreement with each of LCR and HKC, Mr. Lee is entitled to receive a salary of HK\$960,000 per annum. In addition, Mr. Lee is also entitled to receive discretionary bonus which is determined by the remuneration committee of the relevant companies.

- (d) Mr. Brian Riady entered into a letter agreement with each of the Company, LCR and HKC as an executive director for a term of two years commencing from 30 March 2025 and expiring on 29 March 2027, which will be terminable by either party by giving three months' prior written notice or in accordance with the respective articles of association or bye-laws (as the case may be) and/or the Listing Rules. The director's fee payable to Mr. Riady under each of the above letter agreements has been adjusted from HK\$274,800 per annum to HK\$284,400 per annum with effect from 1 April 2025.
- (e) Mr. Leon Nim Leung Chan entered into a letter agreement with each of the Company, LCR and HKC as a non-executive director for a term of two years commencing from 1 January 2024 and expiring on 31 December 2025, which will be terminable by either party by giving three months' prior written notice or in accordance with the respective articles of association or bye-laws (as the case may be) and/or the Listing Rules. The director's fee payable to Mr. Chan under each of the above letter agreements has been adjusted from HK\$274,800 per annum to HK\$284,400 per annum with effect from 1 April 2025.

Mr. Chan is entitled to receive additional fees for serving as members of audit committee, remuneration committee and nomination committee of each of the Company, LCR and HKC. The fee for serving as a member of each of the above committees has been adjusted from HK\$58,800 per annum to HK\$61,200 per annum with effect from 1 April 2025.

- (f) Mr. Jark Pui Lee entered into a letter agreement with the Company as a non-executive Director for a term of two years commencing from 1 March 2025 and expiring on 28 February 2027, which will be terminable by either party by giving three months' prior written notice or in accordance with the Articles of Association and/or the Listing Rules. The director's fee payable to Mr. Lee under the above letter agreement has been adjusted from HK\$274,800 per annum to HK\$284,400 per annum with effect from 1 April 2025.
- (g) Mr. King Fai Tsui entered into a letter agreement with each of the Company and HKC as an independent non-executive director for a term of two years commencing from 30 September 2024 and expiring on 29 September 2026, which will be terminable by either party by giving three months' prior written notice or in accordance with the respective articles of association or bye-laws (as the case may be) and/or the Listing Rules. The director's fee payable to Mr. Tsui under each of the above letter agreements has been adjusted from HK\$274,800 per annum to HK\$284,400 per annum with effect from 1 April 2025.

Mr. Tsui is entitled to receive additional fees for serving as (i) chairman of the remuneration committee and nomination committee of each of the Company and HKC, (ii) member of audit committee of the Company and (iii) chairman of audit committee of HKC. The fees for serving as chairman and/or member (as the case may be) of each of the above committees have been adjusted from HK\$91,200 per annum to HK\$94,800 per annum and from HK\$58,800 per annum to HK\$61,200 per annum with effect from 1 April 2025 respectively.

- (h) Mr. Victor Ha Kuk Yung entered into a letter agreement with each of the Company and LCR as an independent non-executive director for a term of two years commencing from 30 September 2024 and expiring on 29 September 2026, which will be terminable by either party by giving three months' prior written notice or in accordance with the respective articles of association and/or the Listing Rules. The director's fee payable to Mr. Yung under each of the above letter agreements has been adjusted from HK\$274,800 per annum to HK\$284,400 per annum with effect from 1 April 2025.

Mr. Yung is entitled to receive additional fees for serving as (i) chairman of the audit committee of each of the Company and LCR and (ii) member of remuneration committee and nomination committee of each of the Company and LCR. The fees for serving as chairman and/or member (as the case may be) of each of the above committees have been adjusted from HK\$91,200 per annum to HK\$94,800 per annum and from HK\$58,800 per annum to HK\$61,200 per annum with effect from 1 April 2025 respectively.

- (i) Ms. Min Yen Goh entered into a letter agreement with each of the Company, LCR and HKC as an independent non-executive director for a term of two years commencing from 30 December 2024 and expiring on 29 December 2026, which will be terminable by either party by giving three months' prior written notice or in accordance with the respective articles of association or bye-laws (as the case may be) and/or the Listing Rules. The director's fee payable to Ms. Goh under each of the above letter agreements has been adjusted from HK\$274,800 per annum to HK\$284,400 per annum with effect from 1 April 2025.

Ms. Goh is entitled to receive additional fees for serving as members of remuneration committee and nomination committee of each of the Company, LCR and HKC. The fee for serving as a member of each of the above committees has been adjusted from HK\$58,800 per annum to HK\$61,200 per annum with effect from 1 April 2025.

10. CONSENTS AND QUALIFICATIONS OF EXPERTS

The following are the qualifications of each of the experts who have been named in this Scheme Document or have given their opinion or advice which are contained in this Scheme Document:

Name	Qualification
BOCI Asia	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
Somerley	a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants

Each of the experts named above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion in this Scheme Document of the text of its letter, report or opinion (as the case may be) and references to its name in the form and context in which they are included.

11. MISCELLANEOUS

- (a) The Offeror is a private company limited by shares incorporated in the British Virgin Islands on 13 November 2024. It is an investment holding company and does not hold any material assets or businesses.
- (b) The registered office of the Offeror is at Ellen L. Skelton Building, Ground Floor, Fishers Lane, Road Town, Tortola, British Virgin Islands, VG1110. The correspondence address of the Offeror in Hong Kong is at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.

- (c) The sole director of the Offeror is Mr. Wai Ming Wan. The correspondence address of Mr. Wai Ming Wan is at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.
- (d) The principal members of the Offeror Concert Parties are Lippo Capital, Lippo Capital Holdings, Lippo Capital Group, PT Trijaya, Dr. Mochtar Riady, Dr. Stephen Riady, Mr. James Tjahaja Riady, Madam Shincee Leonardi, Madam Aileen Hambali, Mr. Man Cho Lee, Mr. Davy Kwok Fai Lee, Mr. Wai Ming Wan and Ms. Kitty So Kit Lee.
- (e) The directors of Lippo Capital are Dr. Mochtar Riady, Dr. Stephen Riady, Mr. Man Cho Lee and Mr. Davy Kwok Fai Lee.
- (f) The sole director of Lippo Capital Holdings is Dr. Stephen Riady.
- (g) The sole director of Lippo Capital Group is Dr. Stephen Riady.
- (h) The director of PT Trijaya is Mr. Hans Deny Arnold Susilo. Its president director is Mr. Eddy Harsono Handoko and its commissioner is Mr. Ong Kim Kui.
- (i) BOCI Asia is the financial adviser to the Offeror in relation to the Proposal, and its registered office address is at 26th Floor, Bank of China Tower, 1 Garden Road, Hong Kong.
- (j) The registered office of the Company is at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.
- (k) The registered office of the Independent Financial Adviser, Somerley, is at 20th Floor, China Building, 29 Queen's Road Central, Hong Kong.
- (l) The registered office of Lippo Capital is at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (m) The registered office of Lippo Capital Holdings is at Ground Floor, Ellen L. Skelton Building, Fishers Lane, Road Town, Tortola VG1110, British Virgin Islands.
- (n) The registered office of Lippo Capital Group and the correspondence address of each of Dr. Mochtar Riady, Dr. Stephen Riady, Madam Shincee Leonardi, Mr. Man Cho Lee, Mr. Davy Kwok Fai Lee and Ms. Kitty So Kit Lee, each being a principal member of the Offeror Concert Parties, is at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.
- (o) The registered office of PT Trijaya and the correspondence address of each of Mr. James Tjahaja Riady and Madam Aileen Hambali, each being a principal member of the Offeror Concert Parties, is at Graha Lippo, 10th Floor, Jl Boulevard Diponegoro 101, Lippo Karawaci, Tangerang, 15810, Indonesia.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 9:00 a.m. to 5:00 p.m. on business days (as defined in the Takeovers Code) at the registered office of the Company in Hong Kong at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong and on the website of the Company at <https://www.lippoltd.com.hk> and the website of the SFC at www.sfc.hk from the date when this Scheme Document is published until (a) the Effective Date, and (b) the date on which the Scheme is withdrawn or lapses, whichever is earlier:

- (a) the Articles of Association;
- (b) the memorandum and articles of association of the Offeror;
- (c) the articles of association of LCR;
- (d) the annual reports containing audited consolidated financial statements of the Company for the years ended 31 December 2022, 31 December 2023 and 31 December 2024;
- (e) the annual reports containing audited consolidated financial statements of LCR for the years ended 31 December 2022, 31 December 2023 and 31 December 2024;
- (f) the “Letter from the Board”, the text of which is set out in Part V of this Scheme Document;
- (g) the “Letter from the Independent Board Committee”, the text of which is set out in Part VI of this Scheme Document;
- (h) the “Letter from the Independent Financial Adviser”, the text of which is set out in Part VII of this Scheme Document;
- (i) the material contracts referred to in the section headed “7. Material Contracts” in this Appendix II;
- (j) the service contracts referred to in the section headed “9. Directors’ Service Contracts” in this Appendix II;
- (k) the written consents referred to in the section headed “10. Consents and Qualifications of Experts” in this Appendix II;
- (l) the assurance report from Ernst & Young on the compilation of pro forma financial information, the text of which is set out in Appendix V of this Scheme Document; and
- (m) this Scheme Document.

1. FINANCIAL SUMMARY

The following is a summary of the audited consolidated financial results of the LCR Group for each of the three years ended 31 December 2022, 2023 and 2024. The figures for each of the three years ended 31 December 2022, 2023 and 2024 are extracted from the annual reports of LCR.

The auditor's reports from LCR's auditors, Ernst & Young, in respect of the LCR Group for each of the three years ended 31 December 2022, 2023 and 2024 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Save as disclosed below, there were no items of any income or expense which were material in respect of the consolidated financial results of the LCR Group for each of the three years ended 31 December 2022, 2023 and 2024.

	For the year ended 31 December		
	2022	2023	2024
	(Audited)	(Audited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000
Revenue	607,392	739,438	775,302
Cost of sales	<u>(290,930)</u>	<u>(309,318)</u>	<u>(300,708)</u>
Gross profit	316,462	430,120	474,594
Administrative expenses	(379,227)	(399,602)	(409,194)
Other operating expenses	(122,274)	(144,549)	(180,867)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	(104,334)	19,912	(63,299)
Net fair value loss on investment properties	(22,149)	(25,684)	(37,162)
Provision for impairment losses on fixed assets	—	—	(79,934)
Other losses — net	(8,042)	(9,771)	(8,735)
Litigation settlement	—	—	(386,482)
Finance costs	(39,993)	(52,280)	(56,700)
Share of results of associates	39,956	(4,452)	41,799
Share of results of joint ventures	<u>(404)</u>	<u>346</u>	<u>(450)</u>
Loss before tax	(320,005)	(185,960)	(706,430)
Income tax	<u>3,483</u>	<u>1,196</u>	<u>(2,333)</u>
Loss for the year	<u><u>(316,522)</u></u>	<u><u>(184,764)</u></u>	<u><u>(708,763)</u></u>
Attributable to:			
Equity holders of LCR	(277,890)	(146,420)	(683,698)
Non-controlling interests	<u>(38,632)</u>	<u>(38,344)</u>	<u>(25,065)</u>
	<u><u>(316,522)</u></u>	<u><u>(184,764)</u></u>	<u><u>(708,763)</u></u>

	For the year ended 31 December		
	2022	2023	2024
	(Audited)	(Audited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000
Loss for the year	<u>(316,522)</u>	<u>(184,764)</u>	<u>(708,763)</u>
Other comprehensive income/(loss)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(40,845)	(12,835)	(9,158)
Exchange differences reclassified to profit or loss upon:			
Liquidation of foreign operations	(237)	—	—
Derecognition of a foreign associate	—	13	—
Deemed disposal of a foreign associate	(12)	—	—
Share of other comprehensive income/(loss) of associates	<u>6,357</u>	<u>12,096</u>	<u>(30,782)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	<u>(34,737)</u>	<u>(726)</u>	<u>(39,940)</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity instruments at fair value through other comprehensive income	<u>(25,901)</u>	<u>(40,895)</u>	<u>(2,950)</u>
Other comprehensive loss for the year, net of tax	<u>(60,638)</u>	<u>(41,621)</u>	<u>(42,890)</u>
Total comprehensive loss for the year	<u><u>(377,160)</u></u>	<u><u>(226,385)</u></u>	<u><u>(751,653)</u></u>
Attributable to:			
Equity holders of LCR	(329,533)	(177,647)	(719,019)
Non-controlling interests	<u>(47,627)</u>	<u>(48,738)</u>	<u>(32,634)</u>
	<u><u>(377,160)</u></u>	<u><u>(226,385)</u></u>	<u><u>(751,653)</u></u>

	For the year ended 31 December		
	2022	2023	2024
	(Audited)	(Audited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000
Dividend			
Interim dividend	<u>32,154</u>	<u>—</u>	<u>—</u>
	HK\$	HK\$	HK\$
	(Restated) [#]		
Dividend per share	<u>0.035</u>	<u>—</u>	<u>—</u>
	HK\$	HK\$	HK\$
	(Restated) [#]		
Loss per share attributable to equity holders of LCR			
Basic and diluted	<u>(0.30)</u>	<u>(0.16)</u>	<u>(0.74)</u>

[#] On 6 June 2023, every ten issued LCR Shares were consolidated into one share (the “**Share Consolidation**”). The amount for the year ended 31 December 2022 has been adjusted for the effect of the Share Consolidation.

2. CONSOLIDATED FINANCIAL STATEMENTS

LCR is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement shown in the (i) audited consolidated financial statements of the LCR Group for the year ended 31 December 2024 (the “**LCR 2024 Financial Statements**”), (ii) audited consolidated financial statements of the LCR Group for the year ended 31 December 2023 (the “**LCR 2023 Financial Statements**”) and (iii) audited consolidated financial statements of the LCR Group for the year ended 31 December 2022 (the “**LCR 2022 Financial Statements**”), together with the material accounting policies and any points from the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The LCR 2024 Financial Statements are set out on pages 92 to 189 of the annual report of LCR for the year ended 31 December 2024 (the “**LCR Annual Report 2024**”), which was published on 29 April 2025. The LCR Annual Report 2024 is posted on the websites of LCR at <https://www.lcr.com.hk> and the Hong Kong Stock Exchange at <https://www.hkexnews.hk/index.htm>, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042903726.pdf>.

The LCR 2023 Financial Statements are set out on pages 86 to 181 of the annual report of LCR for the year ended 31 December 2023 (the “**LCR Annual Report 2023**”), which was published on 29 April 2024. The LCR Annual Report 2023 is posted on the websites of LCR at <https://www.lcr.com.hk> and the Hong Kong Stock Exchange at <https://www.hkexnews.hk/index.htm>, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042903663.pdf>.

The LCR 2022 Financial Statements are set out on pages 80 to 181 of the annual report of LCR for the year ended 31 December 2022 (the “**LCR Annual Report 2022**”), which was published on 27 April 2023. The LCR Annual Report 2022 is posted on the websites of LCR at <https://www.lcr.com.hk> and the Hong Kong Stock Exchange at <https://www.hkexnews.hk/index.htm>, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702230.pdf>.

The LCR 2024 Financial Statements, the LCR 2023 Financial Statements and the LCR 2022 Financial Statements (but not any other part of the LCR Annual Report 2024, the LCR Annual Report 2023 and the LCR Annual Report 2022) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

3. STATEMENT OF INDEBTEDNESS

As at 31 May 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Scheme Document, the LCR Group had the following outstanding indebtedness:

(a) Borrowings

As at 31 May 2025, the LCR Group had total bank and other borrowings of approximately HK\$911 million, comprising secured bank loans of approximately HK\$781 million and an unsecured loan from the Company of HK\$130 million. The bank loans were secured by charges over certain investment properties, land and buildings, listed shares held by the LCR Group, and all the assets of certain subsidiaries of the LCR Group.

(b) Lease liabilities

As at 31 May 2025, the LCR Group had lease liabilities of approximately HK\$145 million, which were unsecured and unguaranteed.

(c) Contingent liabilities

As at 31 May 2025, the LCR Group had secured bankers' guarantees of approximately HK\$1 million and unsecured bankers' guarantees of approximately HK\$4 million. The secured bankers' guarantees were secured by certain assets of the LCR Group.

Save as aforesaid and apart from intra-group liabilities, the LCR Group did not, as at 31 May 2025, have any outstanding debt securities (whether issued and outstanding, authorised or otherwise created but unissued), term loans (whether guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) or unsecured), other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments (whether guaranteed, unguaranteed, secured and unsecured borrowing and debt), mortgages and charges, contingent liabilities or guarantees.

The Directors confirm that, save as disclosed above, there have been no material changes in the indebtedness and contingent liabilities of the LCR Group since 31 May 2025.

4. NO MATERIAL CHANGE

Save for (i) the Distribution as set out in this Scheme Document; and (ii) the Proposed LCR Capital Reduction, the Directors confirm that, as of the Latest Practicable Date, there has been no material change in the financial or trading position or outlook of the LCR Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the LCR Group were made up and up to the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECT OF THE LCR GROUP

Uncertainties in the global economy remain significant, with the risks tilted to the downside. The complex macroeconomic landscape was characterised by global uncertainties, geopolitical tensions, tariff hikes and rising inflation. Amid the challenging operating environment, the LCR Group and its associates continue to manage their businesses and monitor their assets and investments cautiously and exercise prudent capital management. The operating environment of food businesses remained challenging, especially in Hong Kong. The drop in consumer spending and significant rise in the number of locals making short-stay trips to the Greater Bay Area or overseas, particularly, during weekends and holidays affected the performance of the LCR Group's food businesses in Hong Kong. The LCR Group will be cautious in expanding its outlets and continues to innovate and reinvests its offerings to meet customer preferences. The property investment portfolio of the LCR Group is located mainly in Hong Kong and mainland China and provides a recurring income to the LCR Group. Looking forward to the future, the LCR Group are poised to leverage on its strengths and capitalise on emerging opportunities. The LCR Group remains focused creating value to maximise returns for all the stakeholders.

1. SHARE CAPITAL OF LCR

As at the Latest Practicable Date:

- (a) the issued share capital of LCR was 918,691,271 LCR Shares;
- (b) all LCR Shares (including the Distributable LCR Shares) in issue were fully paid or credited as fully paid and rank *pari passu* in all respects with each other, including, as to rights to capital, dividends and voting;
- (c) no LCR Shares had been issued and bought back by LCR since 31 December 2024, being the end of the last financial year of LCR up to and including the Latest Practicable Date;
- (d) save for (i) the share consolidation (on the basis of every ten issued ordinary shares of LCR were consolidated into one share) which was effective in June 2023 and (ii) the Proposed LCR Capital Reduction, there was no re-organisation of capital of LCR during the two financial years preceding the Announcement Date; and
- (e) save for the 918,691,271 LCR Shares in issue, LCR did not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue.

2. MARKET PRICES

The table below shows the closing prices of the LCR Shares as quoted on the Hong Kong Stock Exchange (i) at the end of the last trading day of each of calendar months during the Relevant Period; (ii) on the Last Trading Date; and (iii) on the Latest Practicable Date.

Date	Closing price per LCR Share HK\$
29 November 2024	0.69
31 December 2024	0.74
28 January 2025	0.74
28 February 2025	0.91
31 March 2025	0.99
30 April 2025	0.78
16 May 2025 (being the Last Trading Date)	0.82
30 May 2025	0.78
30 June 2025	0.71
18 July 2025 (being the Latest Practicable Date)	0.71

During the Relevant Period, the highest closing price of the LCR Shares as quoted on the Hong Kong Stock Exchange was HK\$0.99 on 31 March 2025, and the lowest closing price of the LCR Shares as quoted on the Hong Kong Stock Exchange was HK\$0.66 on 16 and 18 December 2024.

3. INTERESTS IN SECURITIES OF LCR

As at the Latest Practicable Date:

- (a) save as disclosed in the paragraphs headed “6. Shareholding Structure of Company” and “8. Information on LCR” in “Part VIII — Explanatory Memorandum of this Scheme Document”, none of the Offeror, Offeror Concert Parties or director of the Offeror owned or has control or direction over any LCR Shares, convertible securities, warrants, options or derivatives in respect of LCR Shares;
- (b) no subsidiaries of the Company, pension funds (if any) of any member of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or any associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (excluding any exempt principal trader or exempt fund manager) owned or controlled, or had any dealings in any LCR Shares, convertible securities, warrants, options or derivatives in respect of LCR Shares;
- (c) save for the Facility, there are no shareholdings in LCR owned or controlled by a person who has an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (d) no fund managers connected with the Company who managed funds on a discretionary basis (other than exempt fund managers) had any dealings in any LCR Shares, convertible securities warrants, options or derivatives in respect of LCR Shares; and
- (e) none of the Offeror, the Offeror Concert Parties, the Company or the Directors had borrowed or lent any LCR Shares, convertible securities, warrants, options or derivatives in respect of any LCR Shares, save for any borrowed LCR Shares or Shares which have been either on-lent or sold.

4. DEALINGS IN SECURITIES OF LCR

During the Relevant Period:

- (a) none of the Offeror, the Offeror Concert Parties, or the directors of the Offeror had dealt for value in any LCR Shares, convertible securities, warrants, options or derivatives in respect of LCR Shares;

- (b) save for the Facility with further details disclosed in the section headed “5. Arrangements in connection with the Proposal” in Appendix II of this Scheme Document, no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or any Offeror Concert Parties had dealt for value in any LCR Shares, convertible securities, warrants, options or derivatives in respect of any LCR Shares;
- (c) none of the Offeror or any of the Offeror Concert Parties had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (d) no subsidiaries of the Company, pension funds (if any) of any member of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or any associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (excluding any exempt principal trader or exempt fund manager) owned or controlled, or had any dealings in any LCR Shares, convertible securities, warrants, options or derivatives in respect of LCR Shares. Save that on 31 December 2024, the LCR Group disposed of 238 LCR Shares (arising from the aggregation of historical fractional shares, including from the Share Consolidation, that were consolidated and held by the LCR Group) to a person who is not a Offeror Concert Party or connected person (as defined in the Listing Rules) for a total consideration of HK\$174 which was by reference to the closing price of the LCR Shares immediately before the disposal;
- (e) save for the Proposal and the Facility, there are no shareholdings in LCR owned or controlled by a person who has an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code; and
- (f) no fund managers connected with the Company who managed funds on a discretionary basis (other than exempt fund managers) had any dealings in any LCR Shares, convertible securities, warrants, options or derivatives in respect of LCR Shares.

5. ARRANGEMENTS IN CONNECTION WITH THE PROPOSAL

As at the Latest Practicable Date:

- (a) save for the Facility, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror or any of the Offeror Concert Parties, and any other person;
- (b) no irrevocable commitment to vote for or against the Scheme had been received by the Directors, the Offeror or the Offeror Concert Parties;

- (c) none of the director of the Offeror or the directors of LCR would be affected in terms of their emoluments by the Proposal or any other associated transactions.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the LCR Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against any member of the LCR Group.

7. MATERIAL CONTRACTS

Save as disclosed herein, none of the members of the LCR Group had entered into any material contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the LCR Group, within the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date:

- (a) a sale and purchase agreement dated 28 November 2023 entered into between Direct Union Limited (“**DUL**”), a wholly-owned subsidiary of LCR, and H2G Green Limited (“**H2G**”), pursuant to which DUL agreed to sell and H2G agreed to purchase 616,648 ordinary shares in Gashubunited Utility Private Limited at a consideration of S\$2,062,071 which would be satisfied by way of the allotment and issue of 126,507,423 new ordinary shares in H2G; and
- (b) a settlement agreement and mutual release dated 20 September 2024 (the “**Settlement Agreement**”) entered into among LCR and its certain subsidiaries (which had minority ownership interest in Skye Mineral Partners, LLC (“**SMP**”)) and certain related persons (the “**LCR Parties**”) and (ii) major investors of SMP and related persons (the “**Counterparties**”), pursuant to which the parties agreed to fully and forever release and discharge all the claims against each other (the “**Settlement**”). In consideration of the Settlement, the LCR Parties agreed to pay US\$49.5 million to the Counterparties under the Settlement Agreement.

8. MISCELLANEOUS

- (a) 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.
- (b) The registered office of LCR is at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.

The following is the text of a report, prepared for the purpose of incorporation in this Scheme Document, 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 on pages 100 to 102 of the scheme document dated 23 July 2025 (the “**Scheme Document**”) 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 “**Relevant Distributions**”) on the Group's financial position as at 31 December 2024 as if the Relevant 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 Scheme Document is solely to illustrate the impact of the Relevant Distributions on the unadjusted financial information of the Group as if the Relevant 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 Relevant 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 Relevant 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 Relevant 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
23 July 2025

HCMP No. 909 of 2025

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 909 OF 2025**

**IN THE MATTER OF
LIPPO LIMITED
力寶有限公司**

AND

**IN THE MATTER OF
THE COMPANIES ORDINANCE,
CHAPTER 622 OF THE LAWS OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION**

**SCHEME OF ARRANGEMENT
Under Section 673 of the Companies Ordinance
Chapter 622 of the Laws of the Hong Kong Special Administrative Region**

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code, and “persons acting in concert” shall be construed accordingly
“Beneficial Owner(s)”	any beneficial owner(s) of the Shares whose Shares are registered in the name of a Registered Owner(s)
“Board”	the board of Directors
“Companies Ordinance”	the 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 whose Shares are listed on the main board of the Hong Kong Stock Exchange (stock code: 226)
“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
“Distributable LCR Shares”	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 be distributed to the Shareholders under the Distribution in respect of each Share they hold at the Scheme Record Date
“Distribution”	conditional upon the satisfaction of the Distribution Conditions, the special distribution by the Company by way of a distribution in-specie of the Distributable LCR Shares to Shareholders whose names appear on the Register on the Scheme Record Date
“Distribution Conditions”	the conditions to the Distribution, as set out in the paragraphs headed “Conditions to the Distribution” under “3. Conditions to the Proposal” in “Part VIII — Explanatory Memorandum” of this Scheme Document
“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 for the time being of the Executive Director
“Explanatory Memorandum”	the explanatory memorandum in relation to the Scheme set out on pages 88 to 132 of the Scheme Document
“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
“Group”	the Company and its subsidiaries
“High Court”	the High Court of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency 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 board committee of the Company comprising all the non-executive Directors pursuant to Rule 2.8 of the Takeovers Code, which is established by the Board to make a recommendation to the Disinterested Shareholders in respect of the Proposal
“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
“Latest Practicable Date”	18 July 2025, being the latest practicable date for ascertaining certain information contained in the Scheme Document
“LCR”	Lippo China Resources Limited, 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 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 is indirectly legally and beneficially owned by Dr. Stephen Riady and Mr. James Tjahaja Riady as to 60% and 40% respectively of its total issued share capital
“Long Stop Date”	31 December 2025, or such other date as may be agreed between the Offeror and the Company or to the extent applicable, as the High Court may direct at in all cases, as permitted by the Executive
“Offeror”	LL Capital Holdings Limited, a company incorporated in British Virgin Islands with limited liability, which is wholly owned by Lippo Capital
“Offeror Concert Parties”	person(s) who is/are acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” in 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 to privatise the Company by the Offeror by way of the Scheme, and also comprising the Distribution, and the withdrawal of listing of the Shares from the Hong Kong Stock Exchange, on the terms and subject to the Conditions set out in the Scheme Document
“Register”	the register of members of the Company
“Registered Owner”	any person (including without limitation a nominee, trustee, depositary or any other authorised custodian or third party) whose name is entered in the Register as a holder of the Share(s)
“Registrar of Companies”	the Registrar of Companies appointed under the Companies Ordinance
“Scheme”	this scheme of arrangement under Section 673 of the Companies Ordinance in its present form (subject to any modification or additions or conditions as may be approved or imposed by the High Court and agreed to by the Offeror), involving the cancellation and extinguishment of all the Scheme Shares and the restoration of the share capital of the Company to the amount immediately before the cancellation and extinguishment of the Scheme Shares by the issuance to the Offeror, credited as fully paid, of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished
“Scheme Conditions”	the conditions of the Scheme, as set out in the paragraphs headed “Conditions to the Scheme” under “3. Conditions to the Proposal” in “Part VIII — Explanatory Memorandum” of the Scheme Document
“Scheme Consideration”	the cash amount of HK\$0.14 per Scheme Share, which Scheme Shareholders will receive for the cancellation and extinguishment of their Scheme Shares under the Scheme

“Scheme Document”	the composite scheme document dated 23 July 2025 issued jointly by the Offeror and the Company, including each of the letters, statements, appendices (including this Scheme) and notices in it
“Scheme Record Date”	Thursday, 28 August 2025, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme and the Shareholders under the Distribution
“Scheme Share(s)”	Share(s) in issue on the Scheme Record Date held by the Shareholders, other than those held by Lippo Capital
“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares as at the Scheme Record Date
“SFC”	the Securities and Futures Commission
“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
“Share Registrar”	Tricor Investor Services Limited, of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, being the share registrar of the Company
“Shareholder(s)”	holder(s) of 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
“%”	per cent. or percentage

- (A) As at the Latest Practicable Date, the issued share capital of the Company comprised 493,154,032 Shares.
- (B) As at the Latest Practicable Date, the Offeror does not legally and/or beneficially own, control or have direction over any Shares.
- (C) As at the Latest Practicable Date, Lippo Capital legally and/or beneficially own, control or have direction over 369,800,219 Shares (representing approximately 74.98% of the issued Shares).
- (D) As at the Latest Practicable Date, 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).
- (E) As at the Latest Practicable Date, 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.
- (F) The primary purpose of this Scheme is to privatise the Company by cancelling and extinguishing all of the Scheme Shares in consideration of the Scheme Consideration so that the Company shall thereafter be owned as to (i) approximately 25.02% by the Offeror, and (ii) approximately 74.98% by Lippo Capital. Upon such reduction, the share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. 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 to the Offeror.
- (G) The 369,800,219 Shares in which Lippo Capital is interested will not form part of the Scheme Shares and, as such, will not be voted at the Court Meeting. Shares held by the Offeror Concert Parties Not Subject to the Scheme will not be cancelled under the Scheme and will continue to be held by them upon the Scheme becoming effective.
- (H) The Offeror has agreed to undertake to the High Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purpose of giving effect to this Scheme.

THE SCHEME**PART I****CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES**

1. On the Effective Date:
 - (a) the share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares;
 - (b) subject to and forthwith upon such reduction of capital taking effect, the share capital of the Company shall be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished; and
 - (c) the Company shall apply the reserve created in its books of account as a result of the reduction of capital referred to in paragraph (a) above in paying up in full the new Shares so issued pursuant to paragraph (b) above, which shall be allotted and issued, credited as fully paid, to the Offeror.

PART II**CONSIDERATION FOR****CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES**

2. Subject to the Scheme becoming binding and effective in accordance with its terms, each of the Scheme Shares will be cancelled and extinguished in exchange for the Scheme Consideration to be paid by the Offeror.

PART III**GENERAL**

3.
 - (a) As soon as possible and but in any event within seven business days (as defined on the Takeovers Code) following the Effective Date, the Offeror shall post or cause to be posted cheques for the Scheme Consideration to the Scheme Shareholders.
 - (b) In the absence of any specific instructions to the contrary received in writing by the Share Registrar, such cheques shall be sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses as appearing on the Register as at the Scheme Record Date, or in the case of joint holders, at the address appearing on the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.

- (c) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of paragraph 3(b) of this Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the moneys represented thereby.
- (d) All such cheques shall be posted at the risk of the person(s) entitled thereto and none of the Offeror, the Company, the Financial Adviser, the Independent Financial Adviser and the Share Registrar and their respective nominees, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Scheme shall be liable for any loss or delay in transmission.
- (e) On or after the day being six calendar months after the posting of the cheques pursuant to paragraph 3(b) of this Scheme, the Offeror (or its nominee) shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror (or its nominee) with a licensed bank in Hong Kong selected by the Offeror (or its nominee). The Offeror (or its nominee) shall hold such monies until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to paragraph 2 of this Scheme to persons who satisfy the Offeror (or its nominee) that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror (or its nominee) shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this Scheme. The Offeror (or its nominee) shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror (or its nominee) to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
- (f) On the expiry of six years from the Effective Date, the Offeror (and, if applicable, its nominee) shall be released from any further obligation to make any payments under this Scheme and the Offeror (and, if applicable, its nominee) shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 3(e) of this Scheme, including accrued interest subject to any deduction required by law and expenses incurred.
- (g) The preceding sub-paragraphs of this paragraph 3 shall take effect subject to any prohibition or condition imposed by law.

4. As from and including the Effective Date:
 - (a) all share certificates for the Scheme Shares shall cease to have effect as documents or evidence of title for such Scheme Shares and every holder thereof shall be bound, at the request of the Company, to deliver up such share certificates to the Company or to any person appointed by the Company to receive the same for cancellation;
 - (b) all instruments of transfer validly subsisting as at the Scheme Record Date in respect of the transfer of any number of the Scheme Shares shall cease to be valid for all purposes as instruments of transfer; and
 - (c) all mandates or other instructions to the Company in force as at the Scheme Record Date in relation to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.
5. Subject to the Conditions having been fulfilled or waived, as applicable, under the section headed “3. Conditions to the Proposal” in “Part VIII — Explanatory Memorandum” of this Scheme Document, this Scheme shall become effective as soon as an office copy of the order of the High Court sanctioning this Scheme (with or without modification) and confirming the reduction of issued share capital of the Company resulting from the cancellation of the Scheme Shares together with a minute and a return that comply with Subsections (2) and (3) of Section 230 of the Companies Ordinance shall have been registered by the Registrar of Companies under Part 2 of the Companies Ordinance.
6. Unless this Scheme shall have become effective on or before the Long Stop Date, this Scheme shall lapse.
7. The Company and the Offeror may jointly consent for and on behalf of all parties concerned to any modification of or addition to this Scheme or to any condition which the High Court may see fit to approve or impose.
8. All costs, charges and expenses incurred by the Company and/or its advisers and counsel, including the Independent Financial Adviser, in respect of the Scheme will be borne by the Company, whereas all costs, charges and expenses incurred by the Offeror and/or their advisers and counsel in respect of the Scheme will be borne by the Offeror, and other costs, charges and expenses of the Scheme will be shared between the Offeror and the Company equally, except that if the Independent Board Committee or the Independent Financial Adviser does not recommend the Scheme, or the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

23 July 2025

HCMP 909/2025

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 909 OF 2025**

**IN THE MATTER OF
LIPPO LIMITED
力寶有限公司**

AND

**IN THE MATTER OF
THE COMPANIES ORDINANCE,
CHAPTER 622 OF THE LAWS OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION**

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that, by an order (the “**Order**”) made in the above matters, the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) has directed a meeting (the “**Meeting**”) to be convened of the registered holders (the “**Scheme Shareholders**”, and each, a “**Scheme Shareholder**”) of the shares (the “**Shares**”) in the capital of Lippo Limited (the “**Company**”) (other than those in which Lippo Capital Limited is interested) (the “**Scheme Shares**”) for the purpose of considering and, if thought fit, approving, with or without modification, a scheme of arrangement (the “**Scheme**”) proposed to be made between the Company and the Scheme Shareholders as at the Scheme Record Date (as defined in the Scheme), and that such Meeting will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong, with access through the eVoting Portal for Overseas Scheme Shareholders (as defined in the Scheme Document), on Wednesday, 20 August 2025 at 10:45 a.m.

A copy of the Scheme and a copy of the explanatory statement (the “**Explanatory Memorandum**”) explaining the effect of the Scheme, required to be furnished pursuant to Section 671 of the Companies Ordinance (Chapter 622 of the Laws of the Hong Kong Special Administrative Region), are incorporated in the composite scheme document of which this Notice forms part (the “**Scheme Document**”), which has been despatched by post to the Scheme Shareholders. A copy of the Scheme Document can also be obtained by any person entitled to attend the Meeting during usual business hours on any day prior to the day appointed for the Meeting (other than a Saturday, a Sunday or a public holiday in Hong Kong) (i) from the share registrar of the Company, Tricor Investor Services Limited (the “**Share Registrar**”), at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong and (ii) at the registered office of the Company, at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong. The Scheme Document is also available on the Company’s website at www.lippold.com.hk and the Hong Kong Stock Exchange’s website at www.hkexnews.hk.

In compliance with the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Shares held by the Offeror and parties acting in concert (as defined in the Takeovers Code) with it may not be voted at the Meeting. Only Shares held by other Scheme Shareholders are eligible for **voting** thereat.

The above-mentioned Scheme Shareholders may vote in person at the Meeting or they may appoint **one** or more persons, whether a member of the Company or not, as their proxy to attend and vote in their stead. A **pink** form of proxy for use at the Meeting is enclosed with the Scheme Document.

In the case of joint holders of a Scheme Share, the vote of the most senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members of the Company (the “**Register**”) in respect of the Scheme Share.

It is requested that forms appointing proxies, together with the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power or authority (in the case of a corporation either under seal or under the hand of an officer or attorney duly authorised and to the satisfaction of the directors of the Company), be lodged at the Share Registrar as stated above no later than 48 hours (exclusive of any part of a day that is a public holiday) before the time appointed for holding the Meeting or any adjournment thereof. Proxy form sent electronically will not be accepted.

Completion and return of the form of proxy will not preclude a Scheme Shareholder from attending and voting in person at the Meeting or any adjournment thereof. In the event that an eligible Scheme Shareholder attends and votes at the Meeting or any adjournment thereof after having **lodged** his/her/its form of proxy, his/her/its form of proxy shall be deemed to be revoked by operation of law.

For the purpose of determining the entitlements of Scheme Shareholders to attend and vote at the Meeting, the Register will be closed from Thursday, 14 August 2025 to Wednesday, 20 August 2025, both dates inclusive, and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Share Registrar as stated above before 4:30 p.m. (Hong Kong time) on Wednesday, 13 August 2025.

By the same order, the High Court has appointed Mr. Leon Nim Leung Chan, or failing him, Mr. Victor Ha Kuk Yung, or failing him, any other available director of the Company, all being directors of the Company, to act as chairman of the Meeting and has directed the chairman of the Meeting to report the result thereof to the High Court.

The Scheme will be subject to the subsequent sanction of the High Court as set out in the Explanatory Memorandum contained in the Scheme Document.

Dated 23 July 2025

Howse Williams
Solicitors for the Company
27th Floor
Alexandra House
18 Chater Road
Central, Hong Kong

Note:

HYBRID COURT MEETING

The Court Meeting will be in the form of a hybrid meeting.

In addition to the traditional physical attendance at the Court Meeting, the Overseas Scheme Shareholders as at the Meeting Record Date (as defined in the Scheme Document) have the option of attending, participating and voting in the Court Meeting through online access by visiting the website at <https://evoting.vistra.com/#/227> (the “**eVoting Portal**”). Overseas Scheme Shareholders as at the Meeting Record Date participating in the Court Meeting using the eVoting Portal will also be counted towards the quorum and will also be able to cast their votes, and submit questions and comments relevant to the proposed resolutions through the eVoting Portal. **Overseas Scheme Shareholders choosing physical attendance at the Court Meeting should not access the eVoting Portal to exercise their voting rights and should use the physical voting papers provided thereat to cast your votes at the Court Meeting.**

Please note that the choice of physical attendance or online attendance through the eVoting Portal would not affect the right of the Overseas Scheme Shareholders to appoint the Chairman of the Court Meeting as your proxy to exercise your voting rights at the Court Meeting. However, in the event that you choose to attend the physical Court Meeting or use the eVoting Portal and vote at the Court Meeting after having lodged your proxy forms, the returned proxy forms shall be deemed to have been revoked by operation of law.

ATTENDING THE COURT MEETING BY MEANS OF ELECTRONIC FACILITIES

Overseas Scheme Shareholders as at the Meeting Record Date attending the Court Meeting using the eVoting Portal are expected to have a reliable and stable internet connection that can support video live streaming and be able to follow the Court Meeting proceedings in order to cast the votes attached to the Scheme Shares and submit questions online. If for any reasons the internet connection is lost or interrupted, it may affect the ability of the Overseas Scheme Shareholders to follow the Court Meeting proceedings. Any missed contents as a result of connection issues relating to the Overseas Scheme Shareholders will not be repeated. Each set of Overseas Scheme Shareholder login details can be used on one electronic device (either smartphone, tablet device or computer) at one time only. If Overseas Scheme Shareholders experience any technical difficulties or require assistance while using the eVoting Portal, please contact the Share Registrar at (852) 2980 1333 from 9:45 a.m. until the end of the Court Meeting (Hong Kong time) on the date of the Court Meeting. Please note that votes of the Scheme Shareholders as at the Meeting Record Date on the proposed resolution at the Court Meeting cannot be recorded at, or taken by, the Share Registrar’s service hotline. In the event that the Overseas Scheme Shareholders as at the Meeting Record Date have any concerns or issues attending the physical Court Meeting or using the eVoting Portal, you are encouraged to appoint the Chairman of the Court Meeting as your proxy to exercise your voting rights at the Court Meeting.

The eVoting Portal will be open to the Overseas Scheme Shareholders as at the Meeting Record Date (see below for login details and arrangements) for login approximately 30 minutes prior to the scheduled commencement of the Court Meeting and can be accessed from any location with connection to the internet with a smartphone, tablet device or computer.

The step-by-step “Online User Guide for the Court Meeting and the Extraordinary General Meeting to be held on Wednesday, 20 August 2025” can be found by visiting the above designated hyperlink.

LOGIN DETAILS FOR OVERSEAS SCHEME SHAREHOLDERS

Any Overseas Scheme Shareholder who would like to have the option of attending, participating and voting in the Court Meeting using the eVoting Portal will need to contact the Share Registrar no later than 4:30 p.m. on Friday, 15 August 2025 (Hong Kong time) at is-enquiries@vistra.com and provide the Share Registrar with (1) a copy of his/her valid identification documents which shall be a government issued identification document or passport; and (2) his/her email address. Once the Share Registrar has received the aforementioned identification document and email address of such Overseas Scheme Shareholder and has verified the identity of such Overseas Scheme Shareholder, details regarding the arrangements of the Court Meeting, including login details for access to the eVoting Portal and online voting will be provided by email no later than 5:00 p.m. on Tuesday, 19 August 2025 (Hong Kong time) to such Overseas Scheme Shareholder.

Any person who becomes an Overseas Scheme Shareholder after the Latest Practicable Date and who would like to have the option of attending, participating and voting in the Court Meeting using the eVoting Portal will need to contact the Share Registrar for the login details to access the eVoting Portal and online voting no later than 4:30 p.m. on Friday, 15 August 2025 (Hong Kong time) at is-enquiries@vistra.com and provide the Share Registrar with (1) a copy of his/her valid identification documents which shall be a government issued identification document or passport; and (2) his/her email address. Once the Share Registrar has received the aforementioned identification document and email address of such Overseas Scheme Shareholder and have verified the identity of such Overseas Scheme Shareholder, details regarding the arrangements of the Court Meeting, including login details for access to the eVoting Portal and online voting will be provided by email no later than 5:00 p.m. on Tuesday, 19 August 2025 (Hong Kong time) to such Overseas Scheme Shareholder.

Any person who ceases to be an Overseas Scheme Shareholder after the Latest Practicable Date but has received the login details for access to the eVoting Portal, shall not use the login details for access to the eVoting Portal on the date of the Court Meeting and in any case, such login details will be deactivated after such person ceases to be an Overseas Scheme Shareholder.

QUESTIONS RELATING TO THE ARRANGEMENTS OF THE HYBRID COURT MEETING

For enquiries in respect of the above arrangement, please contact the Share Registrar in person, by phone or online form, contact details of which are as follows:

Tricor Investor Services Limited

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

email: is-enquiries@vistra.com

Telephone: (852) 2980 1333 during business hours (from 9:00 a.m. to 5:00 p.m., from Monday to Friday, excluding Hong Kong public holidays)

As at the date of this Notice, the Board of Directors of the Company 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.

**LIPPO LIMITED****力寶有限公司***(Incorporated in Hong Kong with limited liability)***(Stock Code: 226)****NOTICE OF EXTRAORDINARY GENERAL MEETING**

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**General Meeting**”) of Lippo Limited (the “**Company**”) will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 August 2025 at 11:15 a.m. (or, if later, as soon as practicable after the conclusion or the adjournment of the Court Meeting (as defined in the Scheme Document (as defined below)), with online access through the eVoting Portal for Overseas Shareholders, for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the composite scheme document dated 23 July 2025 issued by the Company (the “**Scheme Document**”) of which this notice forms part.

SPECIAL RESOLUTION**1. “THAT:**

- (a) the proposed scheme of arrangement dated 23 July 2025 under Section 673 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Scheme**”) between LL Capital Holdings Limited (the “**Offeror**”), the Company and the Scheme Shareholders (as defined in the Scheme) in the form of the print contained in the composite scheme document dated 23 July 2025 (the “**Scheme Document**”) which has been produced to this Meeting, a print of which has for the purposes of identification been signed by the Chairman of this Meeting and marked “A”, with any modification of or addition to it, or any condition, as may be approved or imposed by the High Court (as defined in the Scheme), be and is hereby approved;
- (b) for the purpose of giving effect to the Scheme, on the Effective Date (as defined in the Scheme):
 - (i) the share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme);
 - (ii) subject to and forthwith upon such reduction of share capital taking effect, the share capital of the Company be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares (as defined in the Scheme) cancelled and extinguished; and

- (iii) the Company shall apply the reserve created in its books of account as a result of its reduction of share capital in paying up the new shares of the Company to be allotted and issued, credited as fully paid, to the Offeror, and the directors of the Company (the “**Directors**”) be and are hereby unconditionally authorised to allot and issue the same accordingly;
- (c) the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) be withdrawn, subject to the Scheme taking effect; and
- (d) any one of the Directors be and is hereby unconditionally authorised to do all acts and things and/or sign such documents as considered to be necessary, appropriate, desirable or expedient for or in connection with the implementation of the Scheme, including (without limitation) (i) the making of an application to the Hong Kong Stock Exchange for the withdrawal of the listing of the shares of the Company on the Hong Kong Stock Exchange, subject to the Scheme taking effect; (ii) the reduction of the share capital of the Company; (iii) the allotment and issue of the shares of the Company referred to above; and (iv) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the High Court (as defined in the Scheme) may see fit to impose and to do all other acts and things and/or sign such documents considered to be necessary for or desirable in connection with the implementation of the Scheme and in relation to the proposed privatisation of the Company by the Offeror by way of the Scheme as a whole.”

ORDINARY RESOLUTION

2. “**THAT** conditional upon special resolution (1) above being passed and the Scheme being approved and becoming binding and effective in accordance with its terms and conditions:
- (a) the Distribution (as defined in the Scheme Document) on the terms as contained in the Scheme Document be and is hereby approved; and
- (b) any one of the directors of the Company be and is hereby authorised to do all such acts and things and to take such steps as considered to be necessary, appropriate, desirable or expedient to give effect to or in connection with the payment of the Distribution.”

By Order of the Board
Lippo Limited
Millie Luk
Secretary

Hong Kong, 23 July 2025

Registered Office:

40th Floor, Tower Two
Lippo Centre
89 Queensway
Hong Kong

Notes:

1. All resolutions at the General Meeting will be taken by poll (except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules and the Articles of Association.
2. Any shareholder of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her/it.
3. In order to be valid, the **WHITE** form of proxy for use at the General Meeting must be duly completed and signed in accordance with the instructions printed thereon and deposited together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, at the Share Registrar at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 11:15 a.m. on Monday, 18 August 2025 or not less than 48 hours before the time for holding any adjournment of the General Meeting (as the case may be). Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the General Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For the purpose of determining the entitlement to attend and vote at the General Meeting, the Register will be closed from Thursday, 14 August 2025 to Wednesday, 20 August 2025 (both dates inclusive) during which period no transfer of shares of the Company will be effected. In order to qualify for the entitlement to attend and vote at the General Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar.
5. All resolutions put to vote at the General Meeting will be decided by way of poll as required by the Listing Rules and the Takeovers Code.
6. In case of joint holders of a Share, any one of such joint holders may vote, either personally or by proxy, in respect of such Share as if he/she/it were solely entitled thereto; but if more than one of such joint holders are present at the General Meeting personally or by proxy, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

7. HYBRID GENERAL MEETING

The General Meeting will be in the form of a hybrid meeting.

In addition to the traditional physical attendance at the General Meeting, the Overseas Shareholders as at the Meeting Record Date have the option of attending, participating and voting in the General Meeting through online access by visiting the website at <https://evoting.vistra.com/#/226> (the “**eVoting Portal**”). Overseas Shareholders as at the Meeting Record Date participating in the General Meeting using the eVoting Portal will also be counted towards the quorum and will also be able to cast their votes, and submit questions and comments relevant to the proposed resolutions through the eVoting Portal. **Overseas Shareholders choosing physical attendance at the General Meeting should not access the eVoting Portal to exercise their voting rights and should use the physical voting papers provided thereat to cast your votes at the General Meeting.**

Please note that the choice of physical attendance or online attendance through the eVoting Portal would not affect the right of the Shareholders to appoint the Chairman of the General Meeting as your proxy to exercise your voting rights at the General Meeting. However, in the event that you choose to attend the physical General Meeting or use the eVoting Portal and vote at the relevant meeting after having lodged your proxy forms, the returned proxy forms shall be deemed to have been revoked by operation of law.

ATTENDING THE GENERAL MEETING BY MEANS OF ELECTRONIC FACILITIES

Overseas Shareholders as at the Meeting Record Date attending the General Meeting using the eVoting Portal are expected to have a reliable and stable internet connection that can support video live streaming and be able to follow the General Meeting proceedings in order to cast the votes attached to the Shares and submit questions online. If for any reasons the internet connection is lost or interrupted, it may affect the ability of the Overseas Shareholders to follow the General Meeting proceedings. Any missed contents as a result of connection issues relating to the Overseas Shareholders will not be repeated. Each set of Overseas Shareholder login details can be used on one electronic device (either smartphone, tablet device or computer) at one time only. If the Overseas Shareholders experience any technical difficulties or require assistance while using the eVoting Portal, please contact the Share Registrar at (852) 2980 1333 from 10:15 a.m. until the end of the General Meeting (Hong Kong time) on the date of the General Meeting. Please note that votes of the Overseas Shareholders as at the Meeting Record Date on the proposed resolutions at the General Meeting cannot be recorded at, or taken by, the Share Registrar’s service hotline. In the event that the Overseas Shareholders as at the Meeting Record Date have any concerns or issues attending the physical General Meeting or using the eVoting Portal, you are encouraged to appoint the Chairman of the General Meeting as your proxy to exercise your voting rights at the General Meeting.

The eVoting Portal will be open to the Shareholders as at the Meeting Record Date (see below for login details and arrangements) for login approximately 30 minutes prior to the scheduled commencement of the General Meeting and can be accessed from any location with connection to the internet with a smartphone, tablet device or computer.

The step-by-step “Online User Guide for the Court Meeting and the Extraordinary General Meeting to be held on Wednesday, 20 August 2025” can be found by visiting the above designated hyperlink.

LOGIN DETAILS FOR OVERSEAS SHAREHOLDERS

Any Overseas Shareholder who would like to have the option of attending, participating and voting in the General Meeting using the eVoting Portal will need to contact the Share Registrar no later than 4:30 p.m. on Friday, 15 August 2025 (Hong Kong time) at is-enquiries@vistra.com and provide the Share Registrar with (1) a copy of his/her valid identification documents which shall be a government issued identification document or passport; and (2) his/her email address. Once the Share Registrar has received the aforementioned identification document and email address of such Overseas Shareholder and has verified the identity of such Overseas Shareholder, details regarding the arrangements of the General Meeting, including login details for access to the eVoting Portal and online voting will be provided by email no later than 5:00 p.m. on Tuesday, 19 August 2025 (Hong Kong time) to such Overseas Shareholder.

Any person who becomes an Overseas Shareholder after the Latest Practicable Date and who would like to have the option of attending, participating and voting in the General Meeting using the eVoting Portal will need to contact the Share Registrar for the login details to access the eVoting Portal and online voting no later than 4:30 p.m. on Friday, 15 August 2025 (Hong Kong time) at is-enquiries@vistra.com and provide the Share Registrar with (1) a copy of his/her valid identification documents which shall be a government issued identification document or passport; and (2) his/her email address. Once the Share Registrar has received the aforementioned identification document and email address of such Overseas Shareholder and have verified the identity of such Overseas Shareholder, details regarding the arrangements of the General Meeting, including login details for access to the eVoting Portal and online voting will be provided by email no later than 5:00 p.m. on Tuesday, 19 August 2025 (Hong Kong time) to such Overseas Shareholder.

Any person who ceases to be an Overseas Shareholder after the Latest Practicable Date but has received the login details for access to the eVoting Portal, shall not use the login details for access to the eVoting Portal on the date of the General Meeting and in any case, such login details will be deactivated after such person ceases to be an Overseas Shareholder.

QUESTIONS RELATING TO THE ARRANGEMENTS OF THE HYBRID GENERAL MEETING

For enquiries in respect of the above arrangement, please contact the Share Registrar in person, by phone or online form, contact details of which are as follows:

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Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

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Telephone: (852) 2980 1333 during business hours (from 9:00 a.m. to 5:00 p.m., from Monday to Friday, excluding Hong Kong public holidays)

As at the date of this Notice, the Board of Directors of the Company 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.