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LIPPO CHINA RESOURCES LIMITED

力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 156)

PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Board wishes to announce that the Company proposes that every ten (10) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 9,186,912,716 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Existing Shares will be allotted, issued or repurchased from the date of this announcement until the effective date of the Share Consolidation, there will be not more than 918,691,271 Consolidated Shares in issue which are fully paid or credited as fully paid.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 10,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 2,000 Consolidated Shares.

Based on the closing price of HK\$0.129 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the theoretical value of each board lot of 2,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had already been effective, would be HK\$2,580.00 based on the theoretical closing price per Consolidated Share of HK\$1.29.

GENERAL

As part of the business to be transacted at the AGM, the AGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolution(s) proposed at the AGM.

A circular containing, among other things, further details of the Share Consolidation and a notice convening the AGM will be despatched to the Shareholders on or before Wednesday, 3 May 2023. Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board wishes to announce that the Company proposes to implement the Share Consolidation on the basis that every ten (10) issued Existing Shares be consolidated into one (1) Consolidated Share and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom.

Effects of the Share Consolidation

As at the date of this announcement, 9,186,912,716 Existing Shares have been allotted and issued. Upon the Share Consolidation becoming effective and assuming that no further Existing Shares are issued or bought back from the date of this announcement until the effective date of the Share Consolidation, not more than 918,691,271 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders would otherwise be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the AGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and

- (iii) the compliance with the relevant procedures and requirements under the Hong Kong laws (where applicable) and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is currently expected to be on Tuesday, 6 June 2023, being the second Business Day immediately after the date of the AGM.

Listing application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is currently proposed to be sought.

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 10,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 2,000 Consolidated Shares.

Based on the closing price of HK\$0.129 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the theoretical value of each board lot of 2,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,580.00 based on the theoretical closing price per Consolidated Share of HK\$1.29.

The Change in Board Lot Size will not result in change of the relative rights of the Shareholders.

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has further stated that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

For the past two years, the existing board lot value of the Company has been constantly less than HK\$2,000. Based on the closing price of HK\$0.117 per Existing Share being the average closing price as quoted on the Stock Exchange during the two-year period before the date of this announcement, with a board lot size of 10,000 Existing Shares, the Company is trading under HK\$2,000 per board lot. In view of this, the Board on its initiative proposes to effect the Share Consolidation in order to comply with the trading requirements of the Listing Rules.

In view of the recent trading price of the Shares, it is considered that the Share Consolidation will enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks or securities houses will charge minimum transaction costs for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares, it is believed that the Share Consolidation will make investing in the Shares more attractive to a boarder range of investors, and thus further broaden the shareholder base of the Company.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

In view of the above reasons, the Company considers the Share Consolidation is justifiable to achieve the above-mentioned purposes. Taking into account the potential benefits and the insignificant amount of costs to be incurred, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no plan to conduct any capital raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct capital raising exercises such as placing and rights issues when suitable opportunities arise in order to support future development of the Company. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares that arise from the Share Consolidation will be disregarded and will not be allocated to the Shareholders.

Fractional Consolidated Share which would otherwise arise would be determined based on the entire shareholding of a holder of the Existing Shares of the Company regardless of the number of share certificates held by such holder. Any investor whose Shares are maintained with its/his/her licensed securities dealer/custodian bank through CCASS or have been lodged with its/his/her Investor Participant Account with CCASS or otherwise held through a nominee should note that HKSCC or the relevant nominee (as the case may be) will be regarded as a single Shareholder according to the register of members of the Company.

Shareholders concerned about losing out on fractional entitlement to which they would otherwise be entitled and/or any investor whose Shares are not held in its/his/her own name concerned about losing out on the entitlement mentioned in the preceding paragraph which they would be entitled to receive had such Shares been registered in its/his/her own name are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares and/or arrange for the Shares to be registered in its/his/her own name (as the case may be).

Arrangement on odd lots trading

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots trading arrangement will be set out in the circular of the Company.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Tuesday, 6 June 2023, being the second Business Day immediately after the date of the AGM, the Shareholders may during the business hours, on or after Tuesday, 6 June 2023 and until Thursday, 13 July 2023 (both dates inclusive) submit existing share certificates in the colour of green for the Existing Shares to the Company's Registrar, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in exchange for new share certificates in the colour of pink for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Tuesday, 11 July 2023, trading will only be in Consolidated Shares and existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for share certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and change in board lot size is as follows:

Events	Time and Date
Despatch date of circular with notice of the AGM	on or before Wednesday, 3 May 2023
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the AGM	4:30 p.m. on Monday, 29 May 2023
Closure of register of members for the entitlement to attend and vote at the AGM	Tuesday, 30 May 2023 to Friday, 2 June 2023 (both dates inclusive)
Latest date and time for lodging forms of proxy for the AGM	11:00 a.m. on Wednesday, 31 May 2023
Record date for attending the AGM	Friday, 2 June 2023
Date and time of the AGM	11:00 a.m. on Friday, 2 June 2023 (or so soon thereafter as the annual general meeting of Hongkong Chinese Limited convened for 10:15 a.m. on the same date shall have been concluded or adjourned)
Announcement of voting results of the AGM	Friday, 2 June 2023

The following events are conditional upon the fulfilment of the conditions for the implementation of the Share Consolidation and Change in Board Lot Size as set out in this announcement:

Effective date of the Share Consolidation and Change in Board Lot Size	Tuesday, 6 June 2023
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First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 6 June 2023
Dealings in the Consolidated Shares commence	9:00 a.m., Tuesday, 6 June 2023
Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m., Tuesday, 6 June 2023
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m., Tuesday, 6 June 2023
Original counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m., Tuesday, 20 June 2023
Parallel trading in the Consolidated Shares (in form of new share certificates and existing share certificates) commences	9:00 a.m., Tuesday, 20 June 2023
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m., Tuesday, 20 June 2023
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4.00 p.m. on Tuesday, 11 July 2023
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 11 July 2023
Parallel trading in Consolidated Shares (in form of new share certificates and existing share certificates) ends	4:10 p.m. on Tuesday, 11 July 2023
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Thursday, 13 July 2023

All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to change. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

GENERAL

As part of the business to be transacted at the AGM, the AGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolution(s) proposed at the AGM.

A circular containing, among other things, further details of the Share Consolidation and a notice convening the AGM will be despatched to the Shareholders on or before Wednesday, 3 May 2023. Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above in this announcement. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise.

“AGM”	the annual general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, inter alia, the Share Consolidation;
“Board”	the board of Directors;
“Business Day”	a day (other than public holiday, a Saturday or Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing in securities;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 10,000 Existing Shares to 2,000 Consolidated Shares;
“Company”	Lippo China Resources Limited 力寶華潤有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 156);
“Consolidated Share(s)”	share(s) of the Company immediately after the Share Consolidation becoming effective;

“Directors”	the director(s) of the Company;
“Existing Share(s)”	share(s) of the Company before the Share Consolidation becomes effective;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be;
“Share Consolidation”	the proposed share consolidation on the basis that every ten (10) issued Existing Shares be consolidated into one (1) Consolidated Share and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom;
“Shareholder(s)”	holder(s) of the Existing Shares or the Consolidated Shares, as the case may be; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board
LIPPO CHINA RESOURCES LIMITED
John Luen Wai Lee
Chief Executive Officer

6 April 2023

As at the date of this announcement, the Board of Directors of the Company comprises eight directors, of which Dr Stephen Riady (Chairman), Mr. John Luen Wai Lee (Chief Executive Officer), Mr. James Siu Lung Lee and Mr. Brian Riady as executive Directors, Mr. Leon Nim Leung Chan as non-executive Director and Mr. Edwin Neo, Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh as independent non-executive Directors.