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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)**

**ANNOUNCEMENT**

**CONTINUING CONNECTED TRANSACTION  
IN RELATION TO THE TENANCY AGREEMENT**

Reference is made to the announcement of the Company dated 20 August 2020 in relation to a continuing connected transaction in respect of the Premises and the joint announcement of Lippo and the Company dated 29 September 2020 in relation to, inter alia, the revision of annual caps for the above transaction. On 29 June 2023, Serene Yield, an indirect wholly-owned subsidiary of the Company, as the landlord, entered into the Tenancy Agreement with LCR Catering, an indirect non-wholly owned subsidiary of the Company, as the tenant in relation to the leasing of the Premises for a term of three years.

**LISTING RULES IMPLICATION**

Serene Yield is an indirect wholly-owned subsidiary of the Company. LCR Catering is an indirect non-wholly owned subsidiary of Superfood. The Company, through its wholly-owned and non-wholly owned subsidiaries, is interested in approximately 50.3% of the issued shares in Superfood. The remaining 49.7% interest of the issued shares in Superfood is held by an indirect wholly-owned subsidiary of OUE. A principal joint venture of HKC is indirectly interested in approximately 73.05% of the issued shares in OUE (excluding treasury shares). Accordingly, OUE is a joint venture of HKC. HKC is a 73.95% owned subsidiary of Lippo which in turn is a controlling shareholder of the Company. Lippo is interested in approximately 74.99% of the total issued shares in the Company. Accordingly, LCR Catering is regarded as a connected subsidiary of the Company under rule 14A.16 of the Listing Rules and thereby a connected person of the Company. Therefore, the Tenancy Agreement constitutes a continuing connected transaction for the Company under rule 14A.31 of the Listing Rules.

Dr. Stephen Riady, the chairman and executive director of the Company, is a controlling shareholder of Lippo and an executive Chairman and Group Chief Executive Officer of OUE. Mr. Brian Riady, an executive director of the Company, is the Deputy Chief Executive Officer and executive director of OUE and a director of LCR Catering. Accordingly, they are materially interested in the Tenancy Agreement and are required to abstain from voting on the relevant Board resolution of the Company in respect of the

Tenancy Agreement. Save for the above, none of the Directors of the Company have a material interest in the transaction contemplated under the Tenancy Agreement, and none of them are required to abstain or have abstained from voting on the Board resolution of the Company to approve the Tenancy Agreement.

As all of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Annual Caps under the Tenancy Agreement are less than 5% as specified under the Listing Rules on an annual basis for the Company, and the transactions contemplated thereunder are in accordance with normal commercial terms, the Tenancy Agreement is exempt from the independent shareholders' approval requirement, but shall be subject to the relevant reporting and announcement requirements under Chapter 14A of the Listing Rules.

Details of the Tenancy Agreement will be disclosed in the annual report of the Company for the relevant financial years in accordance with rules 14A.71 and 14A.72 of the Listing Rules.

## INTRODUCTION

Reference is made to the announcement of the Company dated 20 August 2020 in relation to a continuing connected transaction in respect of the Premises and the joint announcement of Lippo and the Company dated 29 September 2020 in relation to, inter alia, the revision of annual caps for the above transaction. On 29 June 2023, Serene Yield, an indirect wholly-owned subsidiary of the Company, as the landlord, entered into the Tenancy Agreement with LCR Catering, an indirect non-wholly owned subsidiary of the Company, as the tenant in relation to the leasing of the Premises for a term of three years.

## THE TENANCY AGREEMENT

Summarised below are the principal terms of the Tenancy Agreement:

<b>Date of the Agreement:</b>	29 June 2023
<b>Landlord:</b>	Serene Yield
<b>Tenant:</b>	LCR Catering
<b>Premises:</b>	Unit 4, Ground Floor of Lippo Centre, with a net floor area of approximately 7,964 square feet
<b>Permitted Usage:</b>	for use as a restaurant
<b>Term:</b>	three years commencing from 22 August 2023 and shall terminate on 21 August 2026, both days inclusive (the " <b>Term</b> ")
<b>Rent:</b>	HK\$352,700 per calendar month, exclusive of rates, service charge and all other outgoings (the " <b>Rent</b> "), provided that the first and the last month of the Term (that is, from 22 August 2023 to 21 September 2023 and 22 July 2026 to 21 August 2026) shall be rent free

**Service Charge and Maximum Service Charge:**

HK\$78,167 per calendar month, subject to increase as may be notified by Serene Yield in writing to LCR Catering to reflect any actual increase in costs incurred by Serene Yield provided always that such service charge shall not exceed HK\$100,000 per calendar month

**Deposit:**

HK\$861,734, equivalent to two months' Rent and service charge payable by LCR Catering to Serene Yield on the date of the Tenancy Agreement

**ANNUAL CAPS**

The maximum aggregate value, that is, the Annual Caps for the Tenancy Agreement, which is equivalent to the annual rent and annual maximum service charge to be received by Serene Yield for leasing the Premises under the Tenancy Agreement for each of the financial years ending 31 December 2026 are as follows:

	<b>Proposed Annual Caps for the four financial years ending</b>			
	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>	<b>31 December 2026</b>
<b>Tenancy Agreement</b>	HK\$1,605,000	HK\$5,433,000	HK\$5,433,000	HK\$3,123,000

The Rent and the service charge to be payable by LCR Catering to Serene Yield and, accordingly, the Annual Caps, were determined based on prevailing market conditions and with reference to the amount of rent generally being paid for similar properties in the surrounding area around the time of the Tenancy Agreement.

**REASONS FOR ENTERING INTO THE TENANCY AGREEMENT**

The Board of the Company is of the view that by way of entering into the Tenancy Agreement, the Premises under the Tenancy Agreement can continue to be utilised without a break. It will also continue to provide a steady income to the Group. In view of the above, the Board of the Company (including its independent non-executive directors) consider that the terms of the Tenancy Agreement and the Annual Caps were determined on a fair and reasonable basis and the terms had been negotiated and arrived at on an arms-length basis and in accordance with normal commercial terms, with reference to prevailing market conditions and other leases in Hong Kong and that the entering into of the Tenancy Agreement (and the transactions contemplated thereunder) is in the ordinary and usual course of business of the Company and is in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE COMPANY, SERENE YIELD AND LCR CATERING**

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 include investment holding, property investment, property development, food businesses, healthcare services, property management, mineral exploration and extraction, securities investment and treasury investment.

The principal business activity of Serene Yield is property investment.

The principal business activity of LCR Catering is to own and operate restaurant business in Hong Kong.

### **LISTING RULES IMPLICATION**

Serene Yield is an indirect wholly-owned subsidiary of the Company. LCR Catering is an indirect non-wholly owned subsidiary of Superfood. The Company, through its wholly-owned and non-wholly owned subsidiaries, is interested in approximately 50.3% of the issued shares in Superfood. The remaining 49.7% interest of the issued shares in Superfood is held by an indirect wholly-owned subsidiary of OUE. A principal joint venture of HKC is indirectly interested in approximately 73.05% of the issued shares in OUE (excluding treasury shares). Accordingly, OUE is a joint venture of HKC. HKC is a 73.95% owned subsidiary of Lippo which in turn is a controlling shareholder of the Company. Lippo is interested in approximately 74.99% of the total issued shares in the Company. Accordingly, LCR Catering is regarded as a connected subsidiary of the Company under rule 14A.16 of the Listing Rules and thereby a connected person of the Company. Therefore, the entering into of the Tenancy Agreement constitutes a continuing connected transaction for the Company under rule 14A.31 of the Listing Rules.

Dr. Stephen Riady, the chairman and executive director of the Company, is a controlling shareholder of Lippo and an executive Chairman and Group Chief Executive Officer of OUE. Mr. Brian Riady, an executive director of the Company, is the Deputy Chief Executive Officer and executive director of OUE and a director of LCR Catering. Accordingly, they are materially interested in the Tenancy Agreement and are required to abstain from voting on the relevant Board resolution of the Company in respect of the Tenancy Agreement. Save for the above, none of the Directors of the Company have a material interest in the transaction contemplated under the Tenancy Agreement, and none of them are required to abstain or have abstained from voting on the Board resolution of the Company to approve the Tenancy Agreement.

As all of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Annual Caps under the Tenancy Agreement are less than 5% as specified under the Listing Rules on an annual basis for the Company, and the transactions contemplated thereunder are in accordance with normal commercial terms, the Tenancy Agreement is exempt from the independent shareholders' approval requirement, but shall be subject to the relevant reporting and announcement requirements under Chapter 14A of the Listing Rules.

Details of the Tenancy Agreement will be disclosed in the annual report of the Company for the relevant financial years in accordance with rules 14A.71 and 14A.72 of the Listing Rules.

## DEFINITIONS

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

<b>"Annual Caps"</b>	the maximum aggregate annual value for the transaction under the Tenancy Agreement;
<b>"Board"</b>	the board of directors;
<b>"connected person"</b>	has the meaning ascribed to such term under the Listing Rules;
<b>"controlling shareholder"</b>	has the meaning ascribed to such term under the Listing Rules;
<b>"Company"</b>	Lippo China Resources Limited 力寶華潤有限公司, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange and an approximate 74.99% indirect subsidiary of Lippo;
<b>"Group"</b>	the Company and its subsidiaries;
<b>"HKC"</b>	Hongkong Chinese Limited 香港華人有限公司*, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange and an approximate 73.95% indirect subsidiary of Lippo;
<b>"Hong Kong"</b>	the Hong Kong Special Administrative Region of the People's Republic of China;
<b>"LCR Catering"</b>	LCR Catering Services Limited, a company incorporated in Hong Kong with limited liability and a non-wholly owned subsidiary of Superfood;
<b>"Lippo"</b>	Lippo Limited 力寶有限公司, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange;
<b>"Lippo Centre"</b>	Lippo Centre, 89 Queensway, Hong Kong;
<b>"Listing Rules"</b>	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time;
<b>"OUE"</b>	OUE Limited, a company incorporated in the Republic of Singapore with limited liability whose shares are listed on the Mainboard of the Singapore Exchange Securities Trading Limited and a joint venture of HKC;

<b>"Premises"</b>	Unit 4, Ground Floor of Lippo Centre, with a net floor area of approximately 7,964 square feet;
<b>"Serene Yield"</b>	Serene Yield Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
<b>"Stock Exchange"</b>	The Stock Exchange of Hong Kong Limited;
<b>"Superfood"</b>	Superfood Retail Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect non-wholly owned subsidiary of the Company;
<b>"Tenancy Agreement"</b>	the tenancy agreement entered into between Serene Yield and LCR Catering dated 29 June 2023 in respect of the leasing of the Premises;
<b>"HK\$"</b>	Hong Kong dollar(s), the lawful currency of Hong Kong; and
<b>"%"</b>	per cent.

*\* for identification purpose*

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

Hong Kong, 29 June 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.*