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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)

CONTINUING CONNECTED TRANSACTION

RENEWAL OF EXISTING LEASE AGREEMENT

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Reference is made to the announcement of the Company dated 27 January 2014 relating to a continuing connected transaction concerning, *inter alia*, the Existing Lease Agreement, the principal terms of which were disclosed therein.

Pursuant to the Existing Lease Agreement, Auric has an option to renew the existing lease for a further term of two years after the expiry of the existing lease term. As the existing lease will expire on 14 July 2016, Auric has exercised its option to renew and has subsequently entered into the Offer Letter and the Lease Agreement with the Trustee on 17 March 2016 for the renewal of the Existing Lease Agreement.

LISTING RULES IMPLICATION

As the applicable percentage ratios (as defined in the Listing Rules) for the Transaction is less than 5% as specified under the Listing Rules on an annual basis, the Transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under the Listing Rules.

Details of the Lease Agreement will be disclosed in the Company's next published annual reports for the relevant financial years in accordance with Rule 14A.49 of the Listing Rules.

RENEWAL OF EXISTING LEASE AGREEMENT

Reference is made to the announcement of the Company dated 27 January 2014 relating to a continuing connected transaction concerning, *inter alia*, the Existing Lease Agreement, the principal terms of which were disclosed therein.

Pursuant to the Existing Lease Agreement, Auric has an option to renew the existing lease for a further term of two years at a rent of S\$11.00 per square foot after the expiry of the existing lease term. As the existing lease will expire on 14 July 2016, Auric has exercised its option to renew and has subsequently entered into the Offer Letter and the Lease Agreement with the Trustee on 17 March 2016 for the renewal of the Existing Lease Agreement. Details of the Transaction are as follows:

Date of Offer Letter and Lease Agreement	17 March 2016
Landlord	Trustee
Tenant	Auric
Premises	Unit #06-03, 50 Collyer Quay, Singapore
Usage	For office use
Term	Two years commencing from 15 July 2016 and expiring on 14 July 2018
Rental	S\$46,057.00 per month (at S\$11.00 per square foot) plus GST thereon at the prevailing GST rate
Service Charge	S\$5,443.10 per month plus GST thereon at the prevailing GST rate
Option to Renew	Auric is entitled to renew this lease for a further term of two years at a rent to be agreed by the Trustee and Auric after the expiry of the above term, provided that Auric shall give a written notice of its intention to exercise its option to renew no later than nine months prior to the expiration of the term and subject to the execution of a new lease agreement.

ANNUAL CAP

Based on the terms of the Transaction, the Annual Cap to be paid by Auric to OUE C-REIT for each of the financial years ending 31 March 2019 will not be more than the respective amounts as follows:

	From 15 July 2016 to 31 March 2017	For the financial year ending 31 March 2018	For the financial year ending 31 March 2019
Proposed Annual Cap	HK\$3,100,000 (approximately S\$485,000)	HK\$4,400,000 (approximately S\$688,000)	HK\$1,300,000 (approximately S\$203,000)

The Annual Cap was determined based on the aggregate annual rental and service charge payable under the Lease Agreement (excluding the GST payable), taking into account the appreciation of Singapore Dollars in the relevant period in respect of the annual rental and service charge to be payable under the Lease Agreement.

REASONS FOR THE CONTINUING CONNECTED TRANSACTION

The Directors, including the independent non-executive Directors, consider the terms of the Transaction had been negotiated and arrived at on an arms-length basis and in the ordinary and usual course of business of the Group and on normal commercial terms in line with, and with reference to, other office leases in Singapore. The Directors, including the independent non-executive Directors, consider the terms of the Transaction and the Annual Cap are fair and reasonable and in the interests of the shareholders as a whole.

INFORMATION ON THE COMPANY, AURIC, OUE C-REIT AND THE TRUSTEE

The principal business activity of the Company is investment holding. The principal activities of the subsidiaries, associates, joint ventures and joint operations of the Company include investment holding, property investment, property development, food business, property management, mineral exploration, extraction and processing, securities investment, treasury investment and money lending.

Auric is an established food and beverage group with diverse business interests ranging from distribution of fast moving consumer food, food manufacturing and retailing, management of restaurant and food court operations to other strategic investments.

OUE C-REIT is a real estate investment trust listed on the SGX-ST with the principal business activity of investment mainly in commercial properties.

The Trustee is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act, Chapter 336 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under Section 289(1) of the Securities and Futures Act, Chapter 289 of Singapore. The Trustee acts as the trustee of OUE C-REIT and, in such capacity, holds the assets of OUE C-REIT on trust for the benefit of the holders of OUE C-REIT units, safeguards the rights and interests of the holders of OUE C-REIT units and exercises all the powers of a trustee and powers accompanying ownership of the properties in OUE C-REIT.

LISTING RULES IMPLICATION

As at the date of this announcement, the Company is indirectly interested as to approximately 49.3% of the issued share capital of Auric. As a result of the adoption of HKFRS 10 entitled "Consolidated Financial Statements" for the financial year commencing on 1 April 2013 for the Company, Auric and its subsidiaries have been classified as subsidiaries of the Company with effect from 1 April 2013.

OUE was the sponsor of OUE C-REIT. As at the date of this announcement, OUE is indirectly interested in approximately 65.0% of the issued units of OUE C-REIT. A principal joint venture of HKC is interested in approximately 68.5% of the issued share capital of OUE (excluding treasury shares). Accordingly, OUE is a joint venture of HKC. HKC is a subsidiary owned as to approximately 65.8% by Lippo. Lippo is a controlling shareholder of the Company and is interested in approximately 71.2% of the issued shares of the Company. Accordingly, OUE C-REIT is regarded as connected person of the Company under the Listing Rules.

As at the date of this announcement, Lippo is an approximately 69.6% subsidiary of Lippo Capital, which in turn is wholly owned by Lanius. Lanius is a trustee of a discretionary trust, of which the beneficiaries include, *inter alia*, Dr. Stephen Riady and other members of the family. Accordingly, Dr. Stephen Riady is deemed to have a material interest in the Transaction due to his deemed interests in Lippo Capital, and would be required to abstain from voting on the relevant board resolution of the Company approving the Annual Cap.

As the applicable percentage ratios (as defined in the Listing Rules) for the Transaction is less than 5% as specified under the Listing Rules on an annual basis, the Transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under the Listing Rules.

Details of the Lease Agreement will be disclosed in the Company's next published annual reports for the relevant financial years in accordance with Rule 14A.49 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

"Annual Cap"	the maximum aggregate annual value for the Transaction;
"Auric"	Auric Pacific Group Limited, a company incorporated in Singapore with limited liability and the shares of which are listed on the Main Board of SGX-ST and it is interested as to approximately 49.3% by the Company;
"Board"	the board of directors;
"Company"	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 approximately 71.2% indirect subsidiary of Lippo;
"connected person"	has the meaning ascribed to such term under the Listing Rules;
"Group"	the Company and its subsidiaries;
"GST"	the Goods and Services Tax levied in pursuant to the Goods and Services Tax Act, Cap. 117A of Singapore;
"Existing Lease Agreement"	the lease agreement dated 10 October 2013 entered into between Clifford Development Pte. Ltd. (" Clifford "), a wholly-owned subsidiary of OUE, and Auric in respect of the leasing of the Premises which was subsequently novated by Clifford to the Trustee on 27 January 2014;
"HKC"	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 approximately 65.8% indirect subsidiary of Lippo;
"HKFRS"	Hong Kong Financial Reporting Standards;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"Lanios"	Lanios Limited, a company incorporated in Hong Kong with limited liability;
"Lease Agreement"	the lease agreement dated 17 March 2016 entered into between the Trustee and Auric in respect of the leasing of the Premises;
"Lippo"	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;

"Lippo Capital"	Lippo Capital Limited, a company incorporated in the Cayman Islands with limited liability;
"Listing Rules" or "Rule"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Offer Letter"	the offer letter issued by the Trustee and accepted by Auric on 17 March 2016;
"OUE"	OUE Limited, a company incorporated in Singapore and listed on the Main Board of SGX-ST, which is a subsidiary of a joint venture of HKC;
"OUE C-REIT"	OUE Commercial Real Estate Investment Trust constituted under the laws of Singapore, which shall invest mainly in commercial properties and which units are listed on the SGX-ST;
"Premises"	office premises situate at Unit #06-03, 50 Collyer Quay, Singapore;
"Singapore"	Republic of Singapore;
"SGX-ST"	Singapore Exchange Securities Trading Limited;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Transaction"	the continuing connected transaction contemplated under the Offer Letter and the Lease Agreement;
"Trustee"	DBS Trustee Limited (in its capacity as trustee of OUE C-REIT);
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
"S\$"	Singapore dollars, the lawful currency of Singapore; and
"%"	per cent.

** for identification purpose*

By Order of the Board
LIPPO CHINA RESOURCES LIMITED
Millie Luk
 Secretary

Hong Kong, 17 March 2016

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