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**LIPPO LIMITED**

**力寶有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 226)**

**LIPPO CHINA RESOURCES LIMITED**

**力寶華潤有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 156)**

## **JOINT ANNOUNCEMENT**

### **DISCLOSEABLE TRANSACTION**

#### **DISPOSAL OF INVESTMENTS**

The respective Boards of Lippo and LCR wish to inform their shareholders that CEI (a wholly-owned subsidiary of LCR which in turn is an approximate 74.99% indirect subsidiary of Lippo) disposed of a total of 448,500 Tencent Shares through a series of trades conducted in the open market on 12 December 2019 for an aggregate sale proceeds of approximately HK\$155,678,000, before expenses.

As at least one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but all are less than 25%, the Disposal constitutes a discloseable transaction for each of Lippo and LCR under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements but are exempted from shareholders' approval requirement under the Listing Rules.

## **THE DISPOSAL**

The respective Boards of Lippo and LCR wish to inform their shareholders that CEI (a wholly-owned subsidiary of LCR which in turn is an approximate 74.99% indirect subsidiary of Lippo) disposed of a total of 448,500 Tencent Shares through a series of trades conducted in the open market on 12 December 2019 for an aggregate sale proceeds of approximately HK\$155,678,000, before expenses. The sale proceeds for the Disposal represented the market price of Tencent Shares at the time of disposal, representing an average price of approximately HK\$347.1 per Tencent Share, before expenses.

The 448,500 Tencent Shares disposed of under the Disposal represents approximately 0.005% of the total issued Tencent Shares as at 30 November 2019 based on the latest publicly available information.

As the Disposal was conducted in the open market, the identities of the counterparties cannot be ascertained. To the best of the knowledge, information and belief of the directors of each of Lippo and LCR and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the Disposal are independent of and not connected with each of Lippo and LCR and their respective connected persons.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Boards of Lippo and LCR consider that the Disposal is in line with the objective of the LCR Group to manage its investment portfolio by adopting a proactive but prudent approach in investments.

The 448,500 Tencent Shares disposed of under the Disposal consist of 243,950 FVPL Shares and 204,550 FVOCI Shares.

As a result of the Disposal, in respect of 243,950 FVPL Shares, it is expected that the LCR Group will recognise a fair value loss of approximately HK\$3,389,000 in the statement of profit or loss for the year ending 31 March 2020; and in respect of 204,550 FVOCI Shares, it is expected that the LCR Group will recognise a fair value loss of approximately HK\$2,841,000 in the other comprehensive income for the year ending 31 March 2020, which is calculated on the basis of the difference between the average selling price (before expenses) and the carrying amount of the FVPL Shares and FVOCI Shares held by the LCR Group as at 31 March 2019, respectively. The loss to be recorded in the statement of profit or loss and other comprehensive income attributable to the Lippo Group would be approximately HK\$2,541,000 and approximately HK\$2,131,000, respectively, which is calculated based on 74.99% of the LCR Group's fair value loss on 243,950 FVPL Shares and 204,550 FVOCI Shares.

The purpose of the Disposal is to allow the LCR Group to liquidate its securities investment and the sale proceeds will be re-allocated for any other potential investments or general working capital.

In view of the above, the respective Boards of Lippo and LCR (including their respective independent non-executive directors) are of the view that the Disposal is fair and reasonable and on normal commercial terms and in the interests of each of Lippo Group and LCR Group and their respective shareholders as a whole.

## **INFORMATION ON TENCENT**

Tencent is a company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange. Tencent and its subsidiaries are principally engaged in the provision of internet value-added services and online advertising services to users mainly in the PRC.

Set out below is the audited consolidated financial information of Tencent for each of the years ended 31 December 2018 and 2017, which has been extracted from the published documents of Tencent:

	<b>For the year ended 31 December 2018</b>		<b>For the year ended 31 December 2017</b>	
	<i>RMB million</i>	<i>HK\$ million</i>	<i>RMB million</i>	<i>HK\$ million</i>
Profit before taxation	94,466	104,886	88,215	97,945
Profit after taxation	79,984	88,806	72,471	80,465

The unaudited consolidated net asset value of Tencent attributable to its equity holders as at 30 September 2019 amounted to approximately RMB403,982 million (equivalent to approximately HK\$448,541 million), as extracted from the announcement of the results for the nine months ended 30 September 2019 published by Tencent.

## **INFORMATION ON LIPPO AND LCR**

The principal business activity of Lippo is investment holding. The principal business activities of the subsidiaries, associates, joint ventures and joint operation of Lippo are investment holding, property investment, property development, food businesses, healthcare services, hotel operation, property management, project management, mineral exploration and extraction, fund management, securities investment, treasury investment, money lending, banking and other related financial services.

The principal business activity of LCR is investment holding. The principal business activities of the subsidiaries, associates, joint ventures and joint operation of LCR include investment holding, property investment, property development, food businesses, healthcare services, property management, mineral exploration and extraction, fund management, securities investment, treasury investment and money lending.

## **LISTING RULES IMPLICATIONS**

As at least one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but all are less than 25%, the Disposal constitutes a discloseable transaction for each of Lippo and LCR under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements but are exempted from shareholders' approval requirement under the Listing Rules.

## **DEFINITIONS**

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

<b>"Board"</b>	the board of directors;
<b>"CEI"</b>	Continental Equity Inc., a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of LCR;
<b>"connected person(s)"</b>	has the meaning ascribed to such term under the Listing Rules;

<b>"Disposal"</b>	the disposal by CEI of a total of 448,500 Tencent Shares on the market on 12 December 2019 for an aggregate sale proceeds of approximately HK\$155,678,000, before expenses;
<b>"FVOCI Shares"</b>	Tencent Shares which are recognised as financial assets at fair value through other comprehensive income in each of LCR's and Lippo's consolidated financial statements;
<b>"FVPL Shares"</b>	Tencent Shares which are recognised as financial assets at fair value through profit or loss in each of LCR's and Lippo's consolidated financial statements;
<b>"HK\$"</b>	Hong Kong dollar(s), the lawful currency of Hong Kong;
<b>"Hong Kong"</b>	Hong Kong Special Administrative Region of the People's Republic of China;
<b>"LCR"</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 approximately 74.99% indirect subsidiary of Lippo;
<b>"LCR Group"</b>	LCR and its subsidiaries;
<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 Group"</b>	Lippo and its subsidiaries;
<b>"Listing Rules" or "Rule"</b>	Rules Governing the Listing of Securities on the Stock Exchange as amended or supplemented from time to time;
<b>"percentage ratio(s)"</b>	the percentage ratio(s) calculated based on the requirements under Rule 14.07 of the Listing Rules;
<b>"PRC"</b>	the People's Republic of China;
<b>"RMB"</b>	Renminbi, the lawful currency of the PRC;
<b>"Stock Exchange"</b>	The Stock Exchange of Hong Kong Limited;

<b>"Tencent"</b>	Tencent Holdings Limited (stock code: 700), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange;
<b>"Tencent Share(s)"</b>	ordinary shares of HK\$0.00002 each in the share capital of Tencent; and
<b>"%"</b>	per cent.

By Order of the Board  
**LIPPO LIMITED**  
**John Luen Wai Lee**  
*Managing Director and*  
*Chief Executive Officer*

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

Hong Kong, 12 December 2019

*For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB\$1.00 to HK\$1.1103. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this rate or any other rate.*

As at the date of this announcement, the board composition of each of Lippo and LCR is as follows:

#### **Lippo**

*Executive Directors:*  
Dr. Stephen Riady (*Chairman*)  
Mr. John Luen Wai Lee  
(*Managing Director and*  
*Chief Executive Officer*)

*Non-executive Directors:*  
Mr. Jark Pui Lee  
Mr. Leon Nim Leung Chan

*Independent Non-executive Directors:*  
Mr. Edwin Neo  
Mr. King Fai Tsui  
Mr. Victor Ha Kuk Yung

#### **LCR**

*Executive Directors:*  
Dr. Stephen Riady (*Chairman*)  
Mr. John Luen Wai Lee  
(*Chief Executive Officer*)  
Mr. James Siu Lung Lee

*Non-executive Director:*  
Mr. Leon Nim Leung Chan

*Independent Non-executive Directors:*  
Mr. Edwin Neo  
Mr. King Fai Tsui  
Mr. Victor Ha Kuk Yung