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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 LISTED INVESTMENTS

THE DISPOSALS

The respective Boards of Lippo and LCR wish to announce that on 15 June 2021 (U.S. time), LCR made a disposal of 50,000 FinVolution ADSs for an aggregate consideration of US\$475,000 (equivalent to approximately HK\$3,687,000) (before expenses) at a selling price of US\$9.5 (equivalent to approximately HK\$73.7) per FinVolution ADS through on-market transactions (the “**Further Disposal**”).

During the period between 16 February 2021 and 12 March 2021, the LCR Entities conducted a series of on-market transactions to dispose of an aggregate of 817,545 FinVolution ADSs at an average selling price of approximately US\$7.7 (equivalent to approximately HK\$59.8) per FinVolution ADS for an aggregate consideration of approximately US\$6,301,000 (equivalent to approximately HK\$48,908,000) (before expenses) (the “**Previous Disposal**”).

LISTING RULES IMPLICATIONS

Each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions under the Previous Disposal and Further Disposal respectively, on a standalone basis, did not exceed 5%.

However, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Further Disposal when aggregated with the Previous Disposal exceed 5% but are less than 25%, the Disposals constitute a discloseable transaction for each of Lippo and LCR under the Listing Rules and are therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

INTRODUCTION

The respective Boards of Lippo and LCR wish to announce that on 15 June 2021 (U.S. time), LCR made a disposal of 50,000 FinVolution ADSs for an aggregate consideration of US\$475,000 (equivalent to approximately HK\$3,687,000) (before expenses) at a selling price of US\$9.5 (equivalent to approximately HK\$73.7) per FinVolution ADS through on-market transactions.

During the period between 16 February 2021 and 12 March 2021, LCR Entities conducted a series of on-market transactions to dispose of an aggregate of 817,545 FinVolution ADSs at an average selling price of approximately US\$7.7 (equivalent to approximately HK\$59.8) per FinVolution ADS for an aggregate consideration of approximately US\$6,301,000 (equivalent to approximately HK\$48,908,000) (before expenses).

The aggregate consideration for the Further Disposal of approximately HK\$3,687,000 (before expenses) would be settled in cash upon completion of the trades on the open market. The consideration represented the value of the Further Disposal ADSs based on the market value of such ADSs at the time of the Further Disposal, representing a selling price of US\$9.5 per FinVolution ADS, before expenses.

The respective Boards of Lippo and LCR consider that such selling price is fair and reasonable and in the interests of each of Lippo and LCR and their respective shareholders as a whole.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The LCR Group had acquired the FinVolution ADSs for investment purposes and the Disposals were made with reference to the prevailing market price of FinVolution ADSs. Further, the Disposals are in line with the objective of the LCR Group to manage its investment portfolio by adopting a proactive but prudent approach in investments and allow the LCR Group to liquidate its securities investment at appropriate time and the sale proceeds will be re-allocated for any other potential investments and/or general working capital.

Having considered the factors above, the respective Boards of Lippo and LCR consider that the Disposals were fair and reasonable and in the best interest of each of Lippo and LCR and their respective shareholders as a whole.

FINANCIAL IMPACT OF THE DISPOSALS

As a result of the Disposals, the LCR Group is expected to recognise a gain of approximately HK\$34,615,000 (before taxation and without deduction of expenses related to the Disposals) for the year ending 31 December 2021, which is calculated based on the difference between the carrying amount of the Disposed ADSs of HK\$17,980,000 as at 31 December 2020 and the aggregate consideration of the Disposed ADSs of approximately HK\$52,595,000. The gain attributable to the Lippo Group would be approximately HK\$25,958,000, which is calculated based on 74.99% of the LCR Group's gain as a result of the Disposals. The actual amount of gain as a result of the Disposals to be recorded by each of Lippo Group and LCR Group will be subject to the review and final audit by the auditor of Lippo and LCR.

The LCR Group intends to use the sale proceeds for potential investments and/or general working capital.

INFORMATION ON THE PURCHASERS

As each of the Disposals were all conducted on the open market, Lippo and LCR are not aware of the identities of the purchasers of the Disposed ADSs. To the best of the knowledge, information and belief of the respective Boards of Lippo and LCR, having made all reasonable enquiries, the purchasers of the Disposed ADSs and their ultimate beneficial owners are Independent Third Parties.

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, investment management, securities investment, treasury investment and money lending.

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, investment management, securities investment, treasury investment and money lending.

INFORMATION ON FINVOLUTION

FinVolution is primarily engaged in online consumer finance services in the PRC.

Based on the audited consolidated financial statements of FinVolution for the year ended 31 December 2020, the net assets of FinVolution as at 31 December 2020 was RMB8,363,306,000 (equivalent to approximately HK\$10,132,145,000) and the net profit (before and after taxation and extraordinary items) of FinVolution for the two financial years ended 31 December 2020 and 31 December 2019 prepared based on accounting principles generally accepted in the U.S.A. were as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Net profit before taxation	RMB2,424,002,000 (equivalent to approximately HK\$2,936,678,000)	RMB2,856,480,000 (equivalent to approximately HK\$3,460,626,000)
Net profit after taxation	RMB1,968,581,000 (equivalent to approximately HK\$2,384,936,000)	RMB2,374,518,000 (equivalent to approximately HK\$2,876,729,000)

LISTING RULES IMPLICATIONS

Each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions under the Previous Disposal and Further Disposal respectively, on a standalone basis, did not exceed 5%.

However, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Further Disposal when aggregated with the Previous Disposal exceed 5% but are less than 25%, the Disposals constitute a discloseable transaction for each of Lippo and LCR under the Listing Rules and are therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of directors;
“CEI”	Continental Equity Inc., a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of LCR;
“Disposals”	together, the Previous Disposal and the Further Disposal;
“Disposed ADSs”	the 867,545 FinVolution ADSs disposed under the Disposals;
“FinVolution”	FinVolution Group, a company incorporated in the Cayman Islands with limited liability;

“FinVolution ADS”	the American Depositary Shares listed on the NYSE, each representing five class A ordinary shares issued by FinVolution at par value of US\$0.00001 per share;
“Further Disposal”	the disposal of the Further Disposal ADSs through on-market transactions;
“Further Disposal ADSs”	50,000 FinVolution ADSs;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	person(s) or company(ies) who/which is/are not connected with (within the meaning of the Listing Rules) and is/are independent of the directors, chief executives and substantial shareholders of each of Lippo and LCR or any of their respective associates;
“LCR”	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 Main Board of the Stock Exchange and an approximate 74.99% indirect subsidiary of Lippo;
“LCR Entities”	LCR and CEI;
“LCR Group”	LCR and its subsidiaries;
“Lippo”	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 Stock Exchange;
“Lippo Group”	Lippo and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“NYSE”	The New York Stock Exchange;
“Previous Disposal”	the disposal of a total of 817,545 FinVolution ADSs during the period between 16 February 2021 and 12 March 2021 on the open market;

“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S.A.”	the United States of America;
“US\$”	United States dollars, the lawful currency of the U.S.A.; and
“%”	per cent.

By Order of the Board
LIPPO LIMITED
Davy Lee
Secretary

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

Hong Kong, 16 June 2021

For the purpose of illustration only and unless otherwise stated, conversion of US\$ into HK\$ and RMB into HK\$ in this announcement is based on the exchange rate of US\$1.00 to HK\$7.7619 and RMB1.00 to HK\$1.2115, respectively. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this 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