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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**

On 22 March 2021, the Service Provider, an indirect wholly-owned subsidiary of the Company, entered into the Corporate Support Services Agreement with the Client, pursuant to which the Service Provider shall provide to the Client support services for the purpose of the Client's treasury management activities during the Term.

Since the Client is a connected person of the Company under the Listing Rules, the Corporate Support Services Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios set out in rule 14.07 of the Listing Rules calculated with reference to the Annual Caps under the Corporate Support Services Agreement is less than 5% for the Company, and the transactions contemplated thereunder are in accordance with normal commercial terms, the Corporate Support Services Agreement is exempt from the independent shareholders' approval requirement, but shall be subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

**INTRODUCTION**

On 22 March 2021, the Service Provider, an indirect wholly-owned subsidiary of the Company, entered into the Corporate Support Services Agreement with the Client, pursuant to which the Service Provider shall provide to the Client support services for the purpose of the Client's treasury management activities during the Term.

Summarised below are the principal terms of the Corporate Support Services Agreement:

**THE CORPORATE SUPPORT SERVICES AGREEMENT**

**Date:** 22 March 2021

**Parties:** Service Provider: Lippo Investments Management Limited  
Client: OUE Investments Pte Ltd

**Subject matter:** The Service Provider shall provide to the Client support services for the purpose of the Client’s treasury management activities. The Services shall be provided from Hong Kong by way of allocating the time of the Specified Personnel to perform activities in relation to the Services as instructed by the Client in writing.

As part of the performance of the Services, the Service Provider agrees amongst other things, that:

- a) it shall procure the Specified Personnel to perform the duties relating to the Services as directed by the Client during the Term;
- b) the Specified Personnel shall at all times remain in the general employment of the Service Provider and the Client shall not have any responsibility for any remuneration or other employment benefits to be paid or provided to the Specified Personnel; and
- c) it is envisaged that the Specified Personnel will be authorized by the Client to enter into certain treasury related transactions on behalf of the Client subject to approval limits and reporting requirements to be prescribed by the Client.

**Term:** Three years commencing from 22 March 2021, being the effective date, unless and until terminated by either party by giving not less than thirty days' prior written notice.

**Service fee and payment term:** The service fee shall be payable by the Client to the Service Provider in respect of the Services on a quarterly basis and shall be based on the agreed time spent by the relevant Specified Personnel for the provision of the Services and their respective hourly rates. The hourly rates were determined according to the Specified Personnel’s skills, experience or seniority and other relevant costs involved (including allocation of indirect costs).

The Client agrees to pay all pre-approved costs and expenses (including all taxes, duties, levies, brokerage, commissions and fees, all fees due and payable to third party service providers reasonably and properly incurred from time to time) in connection with the Services.

### **Annual Caps and Basis of Annual Caps**

Based on the terms under the Corporate Support Services Agreement, the following table sets out the Annual Caps in respect of the Corporate Support Services Agreement for each of financial years ending 31 December 2024, which are calculated based on the sum of the estimated service fees to be payable by the Client under the Corporate Support Services Agreement:

<b>For the financial year ending</b>	<b>Annual Caps HK\$</b>
31 December 2021	6,000,000
31 December 2022	19,020,000
31 December 2023	25,240,000
31 December 2024	16,640,000

In determining the Annual Caps, the Directors have taken into consideration (i) the expected scope of services to be provided by the Service Provider; (ii) the anticipated amount of time to be devoted by the Specified Personnel to provide the Services; and (iii) a buffer (which the Company considers prudent) above the anticipated services fees to provide flexibility in the event of greater than expected demand for the Services from the Client.

Before entering into the Corporate Support Services Agreement, the Group has not provided any Services to the Client.

### **REASONS FOR ENTERING INTO THE CORPORATE SUPPORT SERVICES AGREEMENT**

The Directors consider that the entering into of the Corporate Support Services Agreement will benefit the Group as it will maximise cost efficiency for the Service Provider, and the Group will also receive satisfactory service fee income.

The Directors (including the independent non-executive Directors) consider that the Corporate Support Services Agreement has been entered into in the ordinary and usual course of business of the Group, and that the Corporate Support Services Agreement was entered into after arm's length negotiations on normal commercial terms, and that the terms of the Corporate Support Services Agreement (including the Annual Caps) are fair and reasonable, and in the interest of the Company and its shareholders as a whole.

## **INFORMATION ON CLIENT, SERVICE PROVIDER AND THE COMPANY**

The principal business activity of the Client is investment holding. The Client is an indirect wholly-owned subsidiary of OUE. The principal business activity of OUE is property investment and development, property and hotel management, asset management and the food and lifestyle business.

The Service Provider is a licensed corporation to carry out Types 1, 4, 6 and 9 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Its principal business is the provision of fund management and investment management services.

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

## **LISTING RULES IMPLICATION**

The Service Provider is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, the Client is a company wholly-owned by OUE. A principal joint venture of HKC is indirectly interested in approximately 70.34% of the issued shares in OUE (excluding treasury shares). Accordingly, OUE is a joint venture of HKC. HKC is an approximate 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, the Client is a connected person of the Company. Therefore, the Corporate Support Services Agreement constitutes a continuing connected transaction for the Company under rule 14A.31 of the Listing Rules.

As Dr. Stephen Riady, the chairman and executive Director, is a controlling shareholder of Lippo, he is deemed to be interested in the Corporate Support Services Agreement. Accordingly, he was required to abstain from voting on the relevant Board resolution of the Company. Save for the above, none of the Directors has any material interest in the Corporate Support Services Agreement, and none of them is required to abstain from voting on the Board resolution of the Company approving the Corporate Support Services Agreement and the transactions contemplated thereunder.

As each of the applicable percentage ratios set out in rule 14.07 of the Listing Rules calculated with reference to the Annual Caps under the Corporate Support Services Agreement is less than 5% for the Company, and the transactions contemplated thereunder are in accordance with normal commercial terms, the Corporate Support Services Agreement is exempt from the independent shareholders' approval requirement, but shall be subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

<b>"Annual Caps"</b>	the maximum annual transaction amount payable by the Client to the Service Provider in respect of the Services as stated in the table under the section headed "Annual Caps and Basis of Annual Caps" in this announcement;
<b>"Board"</b>	the board of Directors;
<b>"Client"</b>	OUE Investments Pte Ltd, a company incorporated in the Republic of Singapore with limited liability and a wholly-owned subsidiary of OUE;
<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 approximately 74.99% indirect subsidiary of Lippo;
<b>"Corporate Support Services Agreement"</b>	the corporate support services agreement dated 22 March 2021 entered into between the Client and the Service Provider with respect to the provision of certain support services for the purpose of the Client's treasury management activities;
<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>"Directors"</b>	directors of the Company;
<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>	Hong Kong Special Administrative Region of the People's Republic of China;
<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>"Listing Rules" or "Rule"</b>	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 and listed on the Main Board of Singapore Exchange Securities Trading Limited and is a joint venture of HKC;
<b>"Services"</b>	support services for the purpose of the Client's treasury management activities;
<b>"Service Provider"</b>	Lippo Investments Management Limited 力寶投資管理有限公司, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
<b>"Specified Personnel"</b>	the personnel of the Service Provider located in Hong Kong as may be designated by the Service Provider from time to time to perform activities in relation to the Services as instructed by the Client in writing;
<b>"Stock Exchange"</b>	The Stock Exchange of Hong Kong Limited;
<b>"Term"</b>	three years commencing from 22 March 2021;
<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, 22 March 2021

*As at the date of this announcement, the Board of Directors of the Company comprises seven directors, of which Dr. Stephen Riady (Chairman), 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.*