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**LIPPO LIMITED**

**力寶有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 226)**

## **PROFIT WARNING**

This announcement is made by Lippo Limited (the “Company, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “Board”) wishes to inform the shareholders and warrant holders of the Company and potential investors that the financial performance of the Group for the second half of the financial year 2008 has been adversely affected by the significant downturn in the global economy and financial markets towards the end of 2008. The present global financial crisis has been particularly severe and wide reaching, affecting economies across the globe, including Hong Kong and other locations in which the Group has investments. The Company, as is the case with many companies, has been affected. Based on information currently available to the Company, the Board estimates that the Group is likely to incur a loss for the year ended 31st December, 2008, subject to audit. Such loss was, among other things, mainly attributable to the revaluation losses due to fair value changes in property portfolio and investment portfolio and possible impairment of investments as a result of the current adverse financial and economic conditions and the loss incurred by the China retail business of the Group during its initial stage of development.

The Group does not have any exposure to equity or currency accumulators. The Group’s cash and liquidity position has been benefited from timely sales of assets and the raising of fresh equity before the onset of the global financial crisis. The

information contained in this announcement is only a preliminary assessment by the Board based on information currently available to the Company and is not based on any figures or information that has been audited or reviewed by the Company's auditors. The Company expects to announce its audited consolidated financial results for the year ended 31st December, 2008 in April 2009.

**Shareholders and warrant holders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.**

The principal business activity of the Company is investment holding. The principal activities of the subsidiaries of the Company include investment holding, property investment and development, retail business, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

By Order of the Board

**LIPPO LIMITED**

**Davy Lee**

*Secretary*

Hong Kong, 20th February, 2009

*As at the date of this announcement, Messrs. Stephen Riady (Chairman), John Luen Wai Lee (Managing Director and Chief Executive Officer) and Jark Pui Lee are the Executive Directors of the Company, Mr. Leon Nim Leung Chan is a Non-executive Director of the Company and Messrs. Edwin Neo, Victor Ha Kuk Yung and King Fai Tsui are the Independent Non-executive Directors of the Company.*