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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)**

**DISCLOSEABLE AND  
CONNECTED TRANSACTION**

**DISCLOSEABLE TRANSACTION**

**Disposal of shares in  
The Hong Kong Building and Loan Agency Limited by  
a wholly-owned subsidiary of Lippo China Resources Limited to  
Island New Finance Limited**

**THE HONG KONG BUILDING AND LOAN AGENCY LIMITED**

**香港建屋貸款有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 145)**

**Possible mandatory cash offer by  
Island New Finance Limited for  
all the issued shares in The Hong Kong Building and Loan Agency Limited  
(other than those already owned by or agreed to be acquired by  
Island New Finance Limited and parties acting in concert with it)**

**Resumption of trading in shares of  
The Hong Kong Building and Loan Agency Limited**

**JOINT ANNOUNCEMENT**

The respective boards of directors of Lippo and LCR jointly announce, and the HKBLA Board has been informed by the Vendor and announces, that the Vendor (a wholly-owned subsidiary of LCR) entered into the conditional Sale and Purchase Agreement with the Offeror on 18th June, 2005, whereby the Vendor conditionally agreed to sell and the Offeror conditionally agreed to purchase an aggregate of 168,313,038 Shares, representing approximately 74.8 per cent. of the issued share capital of HKBLA as at the date of this announcement, for an aggregate consideration of HK\$184 million (equivalent to approximately HK\$1.0932 per Sale Share). On the basis of the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on 17th June, 2005 and that the Sale Shares represent approximately 74.8 per cent. of the issued share capital of HKBLA as at the date of this announcement, the market value attributable to the Sale Shares as at 17th June, 2005 amounted to approximately HK\$171,679,000.

Immediately following Completion, the Offeror and the parties acting in concert with it will be interested in approximately 74.8 per cent. of the issued share capital of HKBLA as at the date of this announcement. Under Rule 26.1 of the Takeovers Code, the Offeror will be required to make a mandatory cash offer and an offer document will be sent to the Shareholders setting out, inter alia, the offer price of HK\$1.0933 per Share and the other terms and conditions of the Offer in accordance with the Takeovers Code. Subject to Completion, the Offeror will be required to make the Offer to acquire all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it. Further details in relation to the Offer are set out in the joint announcement issued by the Offeror and Allied Group dated 6th July, 2005.

An independent board committee of HKBLA comprising its independent non-executive directors will be appointed to advise the Independent Shareholders in relation to the Offer. An independent financial adviser will be appointed to advise the independent board committee in relation to the Offer. A separate announcement will be made once the appointment of the independent financial adviser is finalized.

**The Offer will only be made if Completion takes place pursuant to the Sale and Purchase Agreement. Completion is subject to satisfaction and/or waiver of the conditions contained in the Sale and Purchase Agreement as set out in this announcement. Accordingly, the Offer may or may not be made. Shareholders and potential investors should exercise extreme caution when dealing in the Shares.**

The Offeror is a wholly-owned subsidiary of the Guarantor. As at the date of this announcement and so far as HKBLA is aware, the Guarantor is held by Allied Group as to approximately 50.91 per cent. and held by Sun Hung Kai & Co. Limited (which is indirectly owned by Allied Group as to approximately 74.99 per cent.) as to approximately 7.27 per cent., and therefore is an associate of Allied Group. As at the date of this announcement and so far as HKBLA is aware, Allied Group is indirectly interested in approximately 10.13 per cent. of the issued share capital of Lippo and therefore is a substantial shareholder of Lippo. Accordingly, the Offeror is a connected person of Lippo. The Vendor is a wholly-owned subsidiary of LCR which in turn is an approximate 71.13 per cent. owned subsidiary of Lippo. Accordingly, the Sale and Purchase Agreement constitutes a connected transaction for Lippo under Rule 14A.13 of the Listing Rules. Since the applicable percentage ratios for the Consideration exceed 2.5 per cent. but are less than 25 per cent. for Lippo and the Consideration exceeds HK\$10,000,000, Lippo is subject to the reporting, announcement and independent shareholders' approval requirements for connected transactions under Rule 14A.17 of the Listing Rules. In addition, the Sale and Purchase Agreement constitutes a discloseable transaction for each of Lippo and LCR under Rule 14.06(2) of the Listing Rules on the basis that the applicable percentage ratios for the Consideration exceed 5 per cent. but are less than 25 per cent. for each of Lippo and LCR.

Within 21 days after the date of publication of this announcement, Lippo will dispatch a circular containing, inter alia, details of the Sale and Purchase Agreement, a letter from the independent financial adviser, a letter from the independent board committee of Lippo and a notice convening the Lippo EGM, to the Lippo Shareholders, and LCR will dispatch a circular containing details of the Sale and Purchase Agreement to the LCR Shareholders. In addition, HKBLA will include, inter alia, the information on HKBLA and the views of the independent board committee of HKBLA on the Offer in the offer document to be sent by the Offeror in accordance with the Takeovers Code.

At the request of HKBLA, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 20th June, 2005 pending the release of this announcement. Application has been made by HKBLA to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 7th July, 2005. In addition, at the request of each of Lippo and LCR, trading in the shares in each of Lippo and LCR on the Stock Exchange was suspended with effect from 9:40 a.m. on 9th June, 2005 and will remain suspended pending the release of a joint announcement in relation to an acquisition of an interest in a commercial property in Indonesia by a listed subsidiary of LCR in Singapore.

## **INTRODUCTION**

The respective boards of directors of Lippo and LCR jointly announce, and the HKBLA Board has been informed by the Vendor and announces, that the Vendor entered into the conditional Sale and Purchase Agreement with the Offeror on 18th June, 2005, whereby the Offeror conditionally agreed to purchase and the Vendor conditionally agreed to sell an aggregate of 168,313,038 Shares, representing approximately 74.8 per cent. of the issued share capital of HKBLA as at the date of this announcement.

Immediately following Completion, the Offeror and the parties acting in concert with it will be interested in approximately 74.8 per cent. of the issued share capital of HKBLA as at the date of this announcement. Under Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory cash offer. Subject to Completion, the Offeror will be required to make the Offer to acquire all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it. Further details in relation to the Offer are set out in the joint announcement issued by the Offeror and Allied Group dated 6th July, 2005.

## **THE SALE AND PURCHASE AGREEMENT**

### **Date:**

18th June, 2005

### **Parties:**

- Vendor:** HKCB Corporation Limited, being a wholly-owned subsidiary of LCR which in turn is an approximate 71.13 per cent. owned subsidiary of Lippo
- Purchaser:** Island New Finance Limited, being a wholly-owned subsidiary of the Guarantor which in turn is an associate of Allied Group (which is indirectly interested in approximately 10.13 per cent. of the issued share capital of Lippo and therefore a substantial shareholder of Lippo)
- Warrantor:** LCR, the shares of which are listed on the Stock Exchange
- Guarantor:** United Asia Finance Limited, a company which, as at the date of this announcement and so far as HKBLA is aware, is held by Allied Group as to approximately 50.91 per cent. and held by Sun Hung Kai & Co. Limited (which is indirectly owned by Allied Group as to approximately 74.99 per cent.) as to approximately 7.27 per cent.

As a warrantor under the Sale and Purchase Agreement, LCR shall, together with the Vendor, warrant the accuracy of the warranties and representations given in respect of HKBLA in the Sale and Purchase Agreement. In addition, the Guarantor shall act as the guarantor of the Purchaser guaranteeing the performance of the obligations of the Purchaser under the Sale and Purchase Agreement.

**Sale Shares:**

The Vendor shall conditionally sell and the Offeror shall conditionally purchase an aggregate of 168,313,038 Shares, representing approximately 74.8 per cent. of the issued share capital of HKBLA as at the date of this announcement.

**Consideration:**

The Consideration for the Sale Shares amounts to HK\$184 million (equivalent to approximately HK\$1.0932 per Sale Share) and is payable by the Offeror, in cash, as follows:

- (1) a deposit of HK\$10 million was paid to the Vendor's solicitors, as stakeholders, on signing of the Sale and Purchase Agreement; and
- (2) the balance of HK\$174 million shall be payable, and the aforesaid deposit of HK\$10 million (with interest) shall be released, to the Vendor on Completion.

The Consideration was determined on an arms' length basis and normal commercial terms and the Consideration per Sale Share represents:

- (1) a premium of approximately 32 per cent. over the average closing price of HK\$0.8280 per Share, based on the daily closing prices as quoted on the Stock Exchange over the five trading days up to and including 17th June, 2005, being the last trading day prior to the signing of the Sale and Purchase Agreement;
- (2) a premium of approximately 7 per cent. over the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on 17th June, 2005; and
- (3) a premium of approximately 12 per cent. over the published audited consolidated net asset value per Share of HK\$0.9750 as at 31st December, 2004.

On the basis of the consideration per Sale Share of approximately HK\$1.0932 per Share and the earnings per Share for the year ended 31st December, 2004 (being the date up to which the latest published audited consolidated accounts of HKBLA were prepared) of approximately HK\$0.037, the price to earnings ratio is calculated to be approximately 29.5 times.

The published audited consolidated net asset value of HKBLA as at 31st December, 2004 amounted to approximately HK\$219,375,000. The published audited consolidated profit before tax and extraordinary items of HKBLA for each of the two financial years ended 31st December, 2004 were approximately HK\$731,000 and HK\$9,171,000, respectively. The published audited consolidated profit after tax and extraordinary items of HKBLA for each of the two financial years ended 31st December, 2004 were approximately HK\$5,013,000 and HK\$8,285,000, respectively. On the basis of the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on 17th June, 2005, the market capitalization of HKBLA as at 17th June, 2005 was HK\$229,500,000.

On the basis that the Sale Shares represent approximately 74.8 per cent. of the issued share capital of HKBLA as at the date of this announcement:

- (1) the net asset value attributable to the Sale Shares as at 31st December, 2004 amounted to approximately HK\$164,093,000;
- (2) the profit before tax and extraordinary items attributable to the Sale Shares for each of the two financial years ended 31st December, 2004 amounted to approximately HK\$547,000 and HK\$6,860,000, respectively;
- (3) the profit after tax and extraordinary items attributable to the Sale Shares for each of the two financial years ended 31st December, 2004 amounted to approximately HK\$3,750,000 and HK\$6,197,000, respectively; and
- (4) the market value attributable to the Sale Shares as at 17th June, 2005 amounted to approximately HK\$171,679,000.

**Conditions:**

Completion is conditional upon:

- (1) the Sale and Purchase Agreement being approved by the shareholders of Lippo and LCR (if required to do so);
- (2) all necessary consents and authorisations required for the implementation of the Sale and Purchase Agreement under any existing contractual arrangements entered into by HKBLA, the Vendor and the holding companies and subsidiaries of Lippo being obtained;
- (3) all necessary licences, authorisations, consents and approvals of all relevant governmental or regulatory authorities, agencies or bodies required for the implementation of the Sale and Purchase Agreement being obtained; and

- (4) HKBLA retaining its listed status, with the Shares not having been suspended from listing (other than for suspensions of a routine nature).

If the conditions set out above shall not have been fulfilled (or, if necessary and with respect to condition (2) above only, waived by the Offeror) in full by 5:00 p.m. on 30th November, 2005 (or such later date as may be agreed in writing by the parties to the Sale and Purchase Agreement), the Vendor shall refund the HK\$10 million paid as deposit (with interest) to the Offeror and all rights, obligations and liabilities of the Vendor and the Offeror under the Sale and Purchase Agreement shall cease and terminate and none of the Vendor and the Offeror shall have any claim against any other in respect of the Sale and Purchase Agreement save for claims (if any) in respect of any antecedent breaches of the Sale and Purchase Agreement. Further announcement will be made if condition (2) above is waived by the Offeror.

#### **Completion:**

Completion shall take place on the third Business Day following the day on which the last of the conditions mentioned above is fulfilled (or, if necessary and with respect to condition (2) above only, waived), which shall be no later than the long stop date of 30th November, 2005. Further announcements will be made when the last of the conditions is fulfilled (or, as mentioned above, waived) and when Completion takes place, or if Completion does not take place on or before 30th November, 2005.

#### **POSSIBLE MANDATORY CASH OFFER**

At present, the Offeror and parties acting in concert with it do not have any shareholding interests in HKBLA, save for the fact that Allied Group is a substantial shareholder of Lippo which in turn is indirectly interested in the Sale Shares prior to Completion. On the assumption that Completion takes place and immediately following Completion, the Offeror and parties acting in concert with it will hold 168,313,038 Shares, representing approximately 74.8 per cent. of the issued share capital of HKBLA as at the date of this announcement and accordingly is required to make a mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code. Subject to Completion, the Offeror will be required to make the Offer for all the issued Shares not already owned by or agreed to be acquired by the Offeror and parties acting in concert with it and an offer document setting out, inter alia, the terms and conditions of the Offer will be sent to the Shareholders in accordance with the Takeovers Code. Further details in relation to the Offer are set out in the joint announcement issued by the Offeror and Allied Group dated 6th July, 2005.

Pursuant to the Takeovers Code, HKBLA is required to form an independent board committee to consider the Offer and advise the Independent Shareholders in respect of the Offer, and appoint an independent financial adviser to advise the independent board committee regarding the Offer. An independent board committee of HKBLA comprising its independent non-executive directors will be appointed to advise the Independent Shareholders in relation to the Offer. An independent financial adviser will be appointed to advise the independent board committee in relation to the Offer. A separate announcement will be made once the appointment of the independent financial adviser is finalized.

**The Offer will only be made if Completion takes place pursuant to the Sale and Purchase Agreement. Completion is subject to satisfaction and/or waiver of the conditions contained in the Sale and Purchase Agreement as set out above. Accordingly, the Offer may or may not be made. Shareholders and potential investors should exercise extreme caution when dealing in the Shares.**

#### **INFORMATION ON THE OFFEROR, THE GUARANTOR AND ALLIED GROUP**

So far as HKBLA is aware, the Offeror is principally engaged in investment holding, the Guarantor is principally engaged in money lending business, and Allied Group and its subsidiaries are principally engaged in property development and investment, hospitality related activities, and the provision of financial services (including consumer financing).

#### **INFORMATION ON HKBLA**

The principal activities of HKBLA and its subsidiaries are investment holding, the provision of mortgage finance and other related services and treasury investments. The controlling shareholder of HKBLA is the Vendor and the shares of HKBLA are listed on the Main Board of the Stock Exchange.

#### **INFORMATION ON LIPPO AND LCR**

The principal business activity of each of Lippo and LCR is investment holding. LCR is one of Lippo's principal subsidiaries. The principal activities of the subsidiaries of Lippo and LCR include investment holding, property investment and development, food businesses, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

#### **REASONS OF THE VENDOR, LIPPO AND LCR FOR ENTERING INTO THE SALE AND PURCHASE AGREEMENT**

Since Lippo and LCR intend to streamline the businesses and simplify the group structure and on the basis that LCR will make a satisfactory profit out of the disposal of the Sale Shares, Lippo and LCR consider it to be commercially beneficial to dispose of the Sale Shares to the Purchaser.

On the basis of the audited consolidated net asset value of HKBLA as at 31st December, 2004, the disposal of the Sale Shares shall result in a gain of approximately HK\$20 million and HK\$14 million recognised by the LCR Group and the Lippo Group, respectively, for the year ending 31st December, 2005. Such gain, in case of the LCR Group, is calculated based on the difference between the Consideration and the carrying amount of the

attributable interest in HKBLA of approximately HK\$164 million as at 31st December, 2004, and, in case of the Lippo Group, is calculated based on the gain recognised by the LCR Group net of minority interests. However, since the carrying value of the attributable interest in HKBLA will change over time, it is expected that the actual gain on disposal of the Sale Shares upon Completion will change accordingly. The proceeds from the disposal of the Sale Shares are intended to be used as general working capital of LCR.

Each of the Vendor Directors, the Lippo Directors (including the independent non-executive Lippo Directors) and the LCR Directors believes that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Vendor, Lippo and LCR, respectively, and their respective shareholders as a whole.

Immediately following Completion, each of Lippo and LCR will cease to hold any interests in HKBLA and HKBLA will cease to be a subsidiary of each of Lippo and LCR.

#### **IMPLICATIONS UNDER THE LISTING RULES**

The Offeror is a wholly-owned subsidiary of the Guarantor. As at the date of this announcement and so far as HKBLA is aware, the Guarantor is held by Allied Group as to approximately 50.91 per cent. and held by Sun Hung Kai & Co. Limited (which is indirectly owned by Allied Group as to approximately 74.99 per cent.) as to approximately 7.27 per cent., and therefore is an associate of Allied Group. As at the date of this announcement and so far as HKBLA is aware, Allied Group is indirectly interested in approximately 10.13 per cent. of the issued share capital of Lippo, and therefore is a substantial shareholder of Lippo. Accordingly, the Offeror is a connected person of Lippo. The Vendor is a wholly-owned subsidiary of LCR which in turn is an approximate 71.13 per cent. owned subsidiary of Lippo. Accordingly, the Sale and Purchase Agreement constitutes a connected transaction for Lippo under Rule 14A.13 of the Listing Rules. Since the applicable percentage ratios for the Consideration exceed 2.5 per cent. but are less than 25 per cent. for Lippo and the Consideration exceeds HK\$10,000,000, Lippo is subject to the reporting, announcement and independent shareholders' approval requirements for connected transactions under Rule 14A.17 of the Listing Rules. Allied Group and its associates will abstain from voting at the Lippo EGM in relation to the resolution to be proposed in respect of the Sale and Purchase Agreement. In addition, the Sale and Purchase Agreement constitutes a discloseable transaction for each of Lippo and LCR under Rule 14.06(2) of the Listing Rules on the basis that the applicable percentage ratios for the Consideration exceed 5 per cent. but are less than 25 per cent. for each of Lippo and LCR.

An independent board committee of Lippo comprising the independent non-executive directors of Lippo will be appointed to advise the Independent Lippo Shareholders as to whether or not the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of Lippo and the Independent Lippo Shareholders as a whole. An independent financial adviser will be appointed to advise the independent board committee of Lippo and the Independent Lippo Shareholders in respect of the Sale and Purchase Agreement.

Within 21 days after the date of publication of this announcement, Lippo will dispatch a circular containing, inter alia, details of the Sale and Purchase Agreement, a letter from the independent financial adviser, a letter from the independent board committee of Lippo and a notice convening the Lippo EGM, to the Lippo Shareholders, and LCR will dispatch a circular containing details of the Sale and Purchase Agreement to the LCR Shareholders. In addition, HKBLA will include, inter alia, the information on HKBLA and the views of the independent board committee of HKBLA on the Offer in the offer document to be sent by the Offeror in accordance with the Takeovers Code.

#### **CLARIFICATION ON UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS**

The HKBLA Board noted the increase in the price and trading volume of the Shares on 17th June, 2005, and wishes to state that, save for the possible mandatory general offer for the Shares and related transactions as disclosed in the joint announcement made by Lippo, LCR and HKBLA on 15th June, 2005, the HKBLA Board is not aware of any reasons for such increase in the price and trading volume of the Shares.

The HKBLA Board also confirms that, save as disclosed above and save for the possible mandatory general offer for the Shares and related transactions as disclosed in the joint announcement made by Lippo, LCR and HKBLA on 15th June, 2005, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the HKBLA Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or might be of a price-sensitive nature.

#### **SUSPENSION AND RESUMPTION OF TRADING IN SHARES**

At the request of HKBLA, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 20th June, 2005 pending the release of this announcement. Application has been made by HKBLA to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 7th July, 2005. In addition, at the request of each of Lippo and LCR, trading in the shares in each of Lippo and LCR on the Stock Exchange was suspended with effect from 9:40 a.m. on 9th June, 2005 and will remain suspended pending the release of a joint announcement in relation to an acquisition of an interest in a commercial property in Indonesia by a listed subsidiary of LCR in Singapore.

#### **DEFINITIONS**

In this announcement, the following terms and expressions (unless the context otherwise requires) shall have the following meanings:

“acting in concert” shall have the meaning set out in the Takeovers Code

“Allied Group”	Allied Group Limited 聯合集團有限公司, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange
“associates”	shall have the meaning set out in Rule 1.01 of the Listing Rules
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted at any time between 9:00 a.m. and 5:30 p.m. or on which a “black” rainstorm warning is hoisted at any time between 9:00 a.m. and 5:30 p.m.) on which licensed banks in Hong Kong are open for business
“Completion”	the completion of the Sale and Purchase Agreement
“connected person”	shall have the meaning set out in Rule 14A.11 of the Listing Rules
“Consideration”	the aggregate amount of the consideration payable by the Offeror to the Vendor for the Sale Shares under the Sale and Purchase Agreement, being HK\$184 million
“Guarantor”	United Asia Finance Limited 亞洲聯合財務有限公司, a company incorporated in Hong Kong with limited liability and, as at the date of this announcement and so far as HKBLA is aware, owned by Allied Group as to approximately 50.91 per cent., Sun Hung Kai & Co. Limited (which is indirectly owned by Allied Group as to approximately 74.99 per cent.) as to approximately 7.27 per cent. and four other shareholders none of whom has a controlling interest therein
“HKBLA”	The Hong Kong Building and Loan Agency Limited 香港建屋貸款有限公司, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“HKBLA Board”	the board of directors of HKBLA
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Lippo Shareholders”	the Lippo Shareholders other than Allied Group and its associates
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“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 Stock Exchange
“LCR Directors”	the directors of LCR
“LCR Group”	LCR and its subsidiaries
“LCR Shareholders”	the shareholders of LCR
“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 Directors”	the directors of Lippo
“Lippo EGM”	the extraordinary general meeting to be convened by Lippo for the purpose of approving, inter alia, the Sale and Purchase Agreement
“Lippo Group”	Lippo, its holding companies and its subsidiaries
“Lippo Shareholders”	the shareholders of Lippo
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the mandatory cash offer for all the issued Shares not already owned by or agreed to be acquired by the Offeror and parties acting in concert with it to be made by the Offeror in accordance with the Takeovers Code
“Offeror” or “Purchaser”	Island New Finance Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Guarantor
“percentage ratios”	shall have the meaning set out in Rule 14.04 of the Listing Rules
“Sale and Purchase Agreement”	the conditional sale and purchase agreement between, inter alia, the Vendor and the Offeror in relation to the sale and purchase of the Sale Shares dated 18th June, 2005

“Sale Shares”	an aggregate of 168,313,038 Shares, representing approximately 74.8 per cent. of the issued share capital of HKBLA as at the date of this announcement
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$1.00 each in the issued share capital of HKBLA, and a “Share” shall be construed accordingly
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers in force from time to time
“Vendor”	HKCB Corporation Limited, a company incorporated in the British Virgin Islands which is a wholly-owned subsidiary of LCR, the issued share capital of which Lippo is indirectly interested in approximately 71.13 per cent.
“Vendor Directors”	the directors of the Vendor

By Order of the Board  
**Lippo Limited**  
**Davy Lee**  
*Secretary*

By Order of the Board  
**Lippo China Resources Limited**  
**Millie Luk**  
*Secretary*

By Order of the Board  
**The Hong Kong Building and Loan Agency Limited**  
**Marisa Mak**  
*Secretary*

Hong Kong, 6th July, 2005

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

<b>Lippo</b>	<b>LCR</b>	<b>HKBLA</b>
<i>Non-executive Director:</i> Mr. Leon Nim Leung Chan	<i>Non-executive Directors:</i> Dr. Mochtar Riady Mr. Ning Gaoning Mr. Leon Nim Leung Chan	<i>Non-executive Directors:</i> Mr. Ning Gaoning Mr. Leon Nim Leung Chan Mr. Wai Lam Chan
<i>Executive Directors:</i> Mr. Stephen Riady Mr. John Luen Wai Lee Mr. Jark Pui Lee Mr. David T. Yeh	<i>Executive Directors:</i> Mr. James Riady Mr. Stephen Riady Mr. John Luen Wai Lee	<i>Executive Directors:</i> Mr. David T. Yeh Mr. Jark Pui Lee Mr. Jonathan Miles Foxall Mr. Tai Chiu Ng
<i>Independent Non-executive Directors:</i> Mr. Edwin Neo Mr. Victor Ha Kuk Yung Mr. King Fai Tsui	<i>Independent Non-executive Directors:</i> Mr. Edwin Neo Mr. Victor Ha Kuk Yung Mr. King Fai Tsui	<i>Independent Non-executive Directors:</i> Dr. Nai Kong Leung Mr. Victor Ha Kuk Yung Mr. King Fai Tsui

*The directors of Lippo jointly and severally/individually accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to HKBLA and LCR, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement, other than that relating to HKBLA and LCR, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*The directors of LCR jointly and severally/individually accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to Lippo and HKBLA, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement, other than that relating to Lippo and HKBLA, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*The directors of HKBLA jointly and severally/individually accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to Lippo and LCR, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement, other than that relating to Lippo and LCR, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

“Please also refer to the published version of this announcement in The Standard.”