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**ALLIED GROUP LIMITED**

**( 聯合集團有限公司 )**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 373)**

**ISLAND NEW FINANCE LIMITED**

*(Incorporated in the British Virgin Islands with limited liability)*

## **JOINT ANNOUNCEMENT**

**(1) DISCLOSEABLE TRANSACTION FOR ALLIED GROUP LIMITED –  
CONDITIONAL ACQUISITION OF  
APPROXIMATELY 74.8 PER CENT. OF THE ISSUED SHARE CAPITAL OF  
THE HONG KONG BUILDING AND LOAN AGENCY LIMITED**

**(2) POSSIBLE MANDATORY CASH OFFER BY**



**SUN HUNG KAI INTERNATIONAL LIMITED**

**FOR AND ON BEHALF OF  
ISLAND NEW FINANCE LIMITED  
(AN INDIRECT NON WHOLLY-OWNED SUBSIDIARY OF  
ALLIED GROUP LIMITED)  
FOR ALL THE ISSUED SHARES OF  
THE HONG KONG BUILDING AND LOAN AGENCY LIMITED  
(OTHER THAN SHARES ALREADY OWNED OR AGREED TO BE  
ACQUIRED BY ISLAND NEW FINANCE LIMITED)**

**(3) RESUMPTION OF TRADING**

**(1) The Conditional Acquisition:**

On 18th June, 2005, INFL (an indirect wholly-owned subsidiary of UAF and an indirect non wholly-owned subsidiary of the Company) entered into the Agreement with HKCB (an indirect wholly-owned subsidiary of LCR), pursuant to which INFL agreed to purchase the Sale Shares from HKCB.

Completion of the sale and purchase of the Sale Shares is conditional upon fulfilment (or, with respect to one condition only, waiver) of all the conditions no later than 5:00 p.m. on 30th November, 2005.

Subject to the fulfilment (or, with respect to one condition only, waiver) of all the conditions, completion of the sale and purchase of the Sale Shares is expected to take place on or before 30th November, 2005.

The acquisition of the Sale Shares constitutes a discloseable transaction for the Company under the Listing Rules, on the basis that the calculations of the revenue ratio and the consideration ratio are within the range of 5 per cent. and 25 per cent.

A circular containing, among other things, details of the terms of the Agreement will be despatched to the shareholders of the Company as soon as practicable.

**The acquisition of the Sale Shares is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of the Company.**

**(2) The Possible Mandatory Cash Offer:**

As at the date of this announcement, INFL does not own any Share. Upon completion of the acquisition of the Sale Shares, INFL will own 168,313,038 Shares, representing approximately 74.8 per cent. of the issued share capital of HKBLA. Under Rule 26.1 of the Takeovers Code, INFL is required to make the Offer (being a mandatory cash offer) for all Offer Shares (being Shares not already owned or agreed to be acquired by INFL).

SHK, for and on behalf of INFL, will make the Offer for all Offer Shares on the following basis:

For each Offer Share ..... HK\$1.0933 in cash

The cash offer price per Offer Share is the nearest rounded up figure (with four decimals) above the price of approximately HK\$1.0932 per Share at which the Sale Shares are to be acquired under the Agreement.

**INFL has no intention to increase the cash offer price per Share.**

SHK is satisfied that sufficient financial resources are available to INFL to satisfy full acceptance of the Offer.

It is the intention of the Directors and the directors of INFL to maintain listing of the Shares on the Stock Exchange. Appropriate steps will be taken as soon as possible following closing of the Offer to ensure that not less than 25 per cent. of the Shares will be held in public hands.

**The Stock Exchange has stated that it will closely monitor trading in the Shares. If, immediately following closing of the Offer, less than 25 per cent. of the Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading in the Shares or there are too few Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares until a sufficient public float is attained.**

**The Stock Exchange has also stated that, if HKBLA remains a listed company, any future injection of assets into or disposal of assets of HKBLA will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has discretion to require HKBLA to issue a circular to its shareholders where any acquisition or disposal by HKBLA is proposed, irrespective of the size of such acquisition or disposal and in particular where such acquisition or disposal represents a departure from the principal activities of HKBLA. The Stock Exchange also has the power, pursuant to the Listing Rules, to aggregate a series of acquisitions or disposals by HKBLA and any such acquisitions or disposals may, in any event, result in HKBLA being treated as a new applicant for listing and subject to the requirements for new applicants as set out in the Listing Rules.**

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this announcement (or such later date as the Executive may approve), an offer document containing, amongst other things, the terms of the Offer, together with forms of acceptance and transfer, will be despatched by INFL to shareholders of HKBLA in connection with the Offer. The consent of the Executive will be sought, under Rule 8.2 of the Takeovers Code, to extend the period within which to despatch the offer document. It is expected that the Executive will require that the offer document be despatched within seven days of fulfilment (or, with respect to one condition only, waiver) of all the conditions under the Agreement. Further announcements will be made on the timing of the despatch of the offer document.

**It is a pre-condition of the Offer that the acquisition of the Sale Shares is completed, and the Offer may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of the Company.**

**(3) Resumption of Trading:**

Trading in the shares of the Company was suspended at the request of the Company with effect from 10:09 a.m. on 20th June, 2005, pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 7th July, 2005.

## **THE CONDITIONAL ACQUISITION**

On 18th June, 2005, INFL (an indirect wholly-owned subsidiary of UAF and an indirect non wholly-owned subsidiary of the Company) entered into the Agreement with HKCB (an indirect wholly-owned subsidiary of LCR), pursuant to which INFL agreed to purchase the Sale Shares from HKCB.

As at the date of this announcement, the Company has an indirect interest of approximately 10.13 per cent. in Lippo. To the best of the Directors' knowledge, other than such indirect interest, Lippo, LCR, HKCB and their respective ultimate owners are independent third parties not connected with the Company, any of its subsidiaries or any of their respective associates, or any of the connected persons of the Company, any of its subsidiaries or any of their respective associates.

## **THE AGREEMENT FOR SALE AND PURCHASE**

### **Date**

18th June, 2005.

### **Parties**

- (1) HKCB as vendor.
- (2) LCR as warrantor.
- (3) INFL as purchaser.
- (4) UAF as guarantor.

### **The Sale Shares**

The Sale Shares comprise 168,313,038 Shares, representing approximately 74.8 per cent. of the issued share capital of HKBLA as at the date of this announcement.

The Sale Shares will be acquired free from all liens, charges, mortgages, pledges, encumbrances or security arrangements and other options, restrictions, conditions, claims or third party rights, interest or equity of any kind and together with all rights and benefits, as at or after the date of the Agreement, attaching to them.

LCR has agreed to give certain representations and warranties in relation to HKCB and the HKBLA Group and to warrant the performance and observance by HKCB of its obligations and undertakings under the Agreement.

Net profits attributable to the Sale Shares for the two years ended 31st December, 2003 and 31st December, 2004 were approximately HK\$3,750,000 or approximately HK\$0.0223 per Share (based on the audited consolidated profits of the HKBLA Group of approximately HK\$5,013,000 for the year ended 31st December, 2003) and approximately HK\$6,197,000 or approximately HK\$0.0368 per Share (based on the audited consolidated profits of the HKBLA Group of approximately HK\$8,285,000 for the year ended 31st December, 2004), respectively.

### **Consideration**

HK\$184,000,000, being approximately HK\$1.0932 per Share.

The consideration was arrived at after arm's length negotiations between HKCB and INFL, having regard to the net asset value of the Shares and the acquisition of the Sale Shares as a controlling block.

The price of HK\$1.0932 per Share represents:

- a premium of approximately 7.18 per cent. over the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on 17th June, 2005, being the last trading day prior to the date of this announcement
- a premium of approximately 43.46 per cent. over the average closing price of HK\$0.762 per Share, based on the daily closing prices as quoted on the Stock Exchange over the ten trading days up to and including 17th June, 2005

- a premium of approximately 52.26 per cent. over the average closing price of HK\$0.718 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 20 trading days up to and including 17th June, 2005
- a premium of approximately 65.89 per cent. over the average closing price of approximately HK\$0.659 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including 17th June, 2005
- a premium of approximately 12.12 per cent. over the audited consolidated net asset value per Share of approximately HK\$0.975 as at 31st December, 2004 (being the date up to which the latest published audited consolidated accounts of the HKBLA Group were prepared)

Stamp duty in respect of the sale and purchase of the Sale Shares will be borne and paid by HKCB and INFL in equal shares.

UAF has agreed to guarantee the performance by INFL of its obligations under the Agreement.

### **Deposit**

An initial deposit of HK\$10,000,000 was paid by INFL to HKCB upon the signing of the Agreement, to be held by HKCB's solicitors in escrow.

### **Conditions**

Completion of the sale and purchase of the Sale Shares is conditional upon:

- (i) the Agreement being approved by the shareholders of Lippo and LCR;
- (ii) all necessary consents and authorisations required for the implementation of the Agreement under any existing contractual arrangement entered into by HKBLA, HKCB, Lippo and the holding companies and subsidiaries of Lippo being obtained;
- (iii) all necessary licences, authorisations, consents and approvals of all relevant governmental or regulatory authorities, agencies or bodies required for the implementation of the Agreement being obtained; and
- (iv) HKBLA retaining its listed status, with the Shares not having been suspended from listing (other than for suspensions of a routine nature).

HKCB has agreed to use its reasonable endeavours to procure that the above conditions are fulfilled as soon as practicable, and in any event no later than 5:00 p.m. on 30th November, 2005.

If any of the above conditions is not fulfilled (or, with respect to condition (ii) above only, waived by INFL) in full by such time, the deposit will be refunded with accrued interest and the Agreement will terminate.

**The acquisition of the Sale Shares is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of the Company.**

## Completion

Completion of the sale and purchase of the Sale Shares will take place on the third business day following the day on which the last of the conditions mentioned above is fulfilled (or, with respect to condition (ii) above only, waived), which will 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, with respect to condition (ii) above only, waived) and when completion takes place, or if completion does not take place on or before 30th November, 2005.

If the above conditions are fulfilled (or, with respect to condition (ii) above only, waived) but either HKCB or INFL fails to proceed to completion of the sale and purchase of the Sale Shares, the deposit will be refunded with accrued interest and the party in default will indemnify the party not in default against all reasonable costs properly incurred, whereupon the Agreement will terminate.

If the above conditions are fulfilled (or, with respect to condition (ii) above only, waived) but INFL fails to pay the balance of the consideration, the deposit will be forfeited by HKCB and INFL will indemnify HKCB against all reasonable costs properly incurred, whereupon the Agreement will terminate.

On completion of the sale and purchase of the Sale Shares, the balance of the consideration, being HK\$174,000,000, will be paid by INFL to HKCB.

**The acquisition of the Sale Shares is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of the Company.**

## INFORMATION ABOUT THE HKBLA GROUP

HKBLA is a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange.

The principal business activities of the HKBLA Group comprise investment holding, treasury investments and the provision of mortgage finance and other related services.

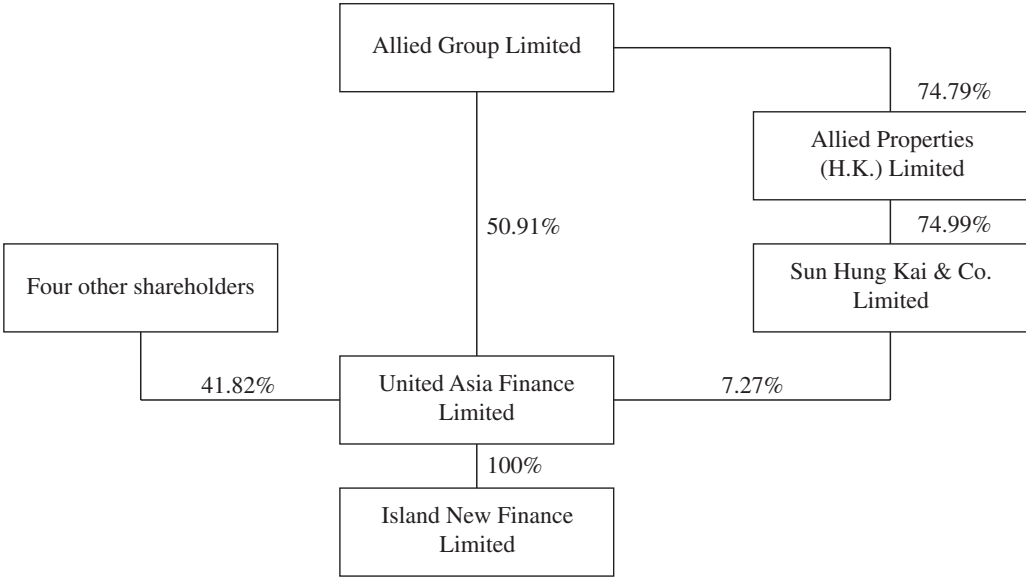
## INFORMATION ABOUT INFL, UAF AND THE GROUP

INFL is an indirect wholly-owned subsidiary of UAF. As at the date of this announcement, UAF is owned:

- indirectly, as to approximately 50.91 per cent. by the Company;
- indirectly, as to approximately 7.27 per cent. by Sun Hung Kai & Co. Limited, the shares of which are listed on the Stock Exchange and is indirectly owned as to approximately 74.99 per cent. by the Company; and
- by four other shareholders, none of whom has a controlling interest in UAF.

The four other shareholders and their respective ultimate owners are all independent third parties who are, other than at the level of UAF, not connected with the Company, any of its subsidiaries or any of their respective associates, or any of the connected persons of the Company, any of its subsidiaries or any of their respective associates. As at the date of this announcement, none of such four shareholders or their respective ultimate owners owns any Share.

An overview of the shareholding structure of INFL as at the date of this announcement is set out below:



Note: Wholly-owned intermediate holding companies are not shown in the above chart.

The principal business activities of the Group comprise property development and investment, hospitality related activities, and the provision of financial services (including consumer financing).

Following completion of the acquisition of the Sale Shares, the Group will be in a position to streamline its loan and finance business into two arms, with the Group continuing its business of the provision of consumer finance and the HKBLA Group continuing to focus on the provision of mortgage finance and other secured finance, thereby expanding its overall market share with the ability to provide a wide range of finance products and other related services.

**INFORMATION ABOUT LIPPO, LCR AND HKCB**

To the best of the Directors’ knowledge, HKCB is an indirect wholly-owned subsidiary of LCR, and LCR is, in turn, indirectly owned as to approximately 71.13 per cent. by Lippo.

An overview of the shareholding structure of HKBLA as at the date of this announcement is set out below:



Note: Wholly-owned intermediate holding companies are not shown in the above chart.



Following completion of the sale of the Sale Shares, neither Lippo nor any party acting in concert with it will own any Share.

Lippo is a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange. Public records show that the principal business activities of Lippo and its subsidiaries, associates and jointly controlled entity comprise investment holding, property investment and development, food businesses, property management, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

LCR is a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange. Public records show that the principal business activities of LCR and its subsidiaries, associates and jointly controlled entity comprise investment holding, property investment and development, food businesses, property management, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

The Directors are advised that HKCB is engaged principally in investment holding.

As at the date of this announcement, the Company has an indirect interest of approximately 10.13 per cent. in Lippo. To the best of the Directors' knowledge, other than such indirect interest, HKCB, LCR, Lippo and their respective ultimate owners are independent third parties not connected with the Company, any of its subsidiaries or any of their respective associates, or any of the connected persons of the Company, any of its subsidiaries or any of their respective associates.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE SALE SHARES**

In respect of its loan and consumer finance business, the Group recorded a turnover of approximately HK\$763.3 million for the year ended 31st December, 2003, representing approximately 47.43 per cent. of the total turnover of the Group for such year, and a turnover of approximately HK\$790.7 million for the year ended 31st December, 2004, representing approximately 41.38 per cent. of the total turnover of the Group for such year.

The Group is interested in participating in the recovery in the Hong Kong economy by expansion of its loan and consumer finance business. This objective may be pursued by continuing expansion of its existing business operations and through acquisitions of other companies in the industry, as and when opportunities arise. The acquisition of the Sale Shares is considered to represent a suitable investment opportunity for the Group.

As at 31st December, 2004 (being the date up to which the latest published audited consolidated accounts of the HKBLA Group were prepared), the HKBLA Group was debt-free and maintained a strong liquidity position. For the year ended 31st December, 2004, the HKBLA Group recorded a total turnover of approximately HK\$189,682,000. The price of approximately HK\$1.0932 per Share at which the Sale Shares are to be acquired under the Agreement represents a premium of approximately 12.12 per cent. over the audited consolidated net asset value per Share of approximately HK\$0.975 as at 31st December, 2004.

Having regard to the financial position and business operation of the HKBLA Group, the Directors believe that the terms of the acquisition of the Sale Shares are fair and reasonable and in the interests of the shareholders of the Company taken as a whole.

It is the intention of INFL to maintain, following completion of the acquisition of the Sale Shares, the existing business activities of the HKBLA Group, in particular its mortgage finance business, through the use of the HKBLA brand name. There is no current plan to inject any business of the Group into the HKBLA Group.



Following completion of the acquisition of the Sale Shares, the Group will be in a position to streamline its loan and finance business into two arms, with the Group continuing its business of the provision of consumer finance and the HKBLA Group continuing to focus on the provision of mortgage finance and other secured finance, thereby expanding its overall market share with the ability to provide a wide range of finance products and other related services.

**LISTING RULES IMPLICATIONS**

The acquisition of the Sale Shares constitutes a discloseable transaction for the Company under the Listing Rules, on the basis that the calculations of the revenue ratio and the consideration ratio are within the range of 5 per cent. and 25 per cent.

A circular containing, among other things, details of the terms of the Agreement will be despatched to the shareholders of the Company as soon as practicable.

**THE POSSIBLE MANDATORY CASH OFFER**

As at the date of this announcement, neither INFL nor any party acting in concert with it owns any Share. Upon completion of the acquisition of the Sale Shares, INFL will own 168,313,038 Shares, representing approximately 74.8 per cent. of the issued share capital of HKBLA. Under Rule 26.1 of the Takeovers Code, INFL is required to make the Offer (being a mandatory cash offer) for all Offer Shares (being Shares not already owned or agreed to be acquired by INFL).

**It is a pre-condition of the Offer that the acquisition of the Sale Shares is completed, and the Offer may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of the Company.**

**Terms**

SHK, for and on behalf of INFL, will make the Offer for all Offer Shares on the following basis:

For each Offer Share ..... HK\$1.0933 in cash

The cash offer price per Offer Share is the nearest rounded up figure (with four decimals) above the price of approximately HK\$1.0932 per Share at which the Sale Shares are to be acquired under the Agreement (being the highest price paid by INFL for the acquisition of Shares in the six month period preceding the date of this announcement). It represents:

- a premium of approximately 7.19 per cent. over the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on 17th June, 2005, being the last trading day prior to the date of this announcement
- a premium of approximately 43.48 per cent. over the average closing price of HK\$0.762 per Share, based on the daily closing prices as quoted on the Stock Exchange over the ten trading days up to and including 17th June, 2005
- a premium of approximately 52.27 per cent. over the average closing price of HK\$0.718 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 20 trading days up to and including 17th June, 2005
- a premium of approximately 65.90 per cent. over the average closing price of approximately HK\$0.659 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including 17th June, 2005

- a premium of approximately 12.13 per cent. over the audited consolidated net asset value per Share of approximately HK\$0.975 as at 31st December, 2004 (being the date up to which the latest published audited consolidated accounts of the HKBLA Group were prepared)

### **INFL has no intention to increase the cash offer price per Share**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six month period preceding the last trading day prior to the date of this announcement are HK\$1.02 per Share on 17th June, 2005 and HK\$0.59 per Share on 7th April, 2005, respectively.

So far as the Directors are aware, as at the date of this announcement, there are no outstanding warrants, options or other convertible securities of HKBLA.

### **Intention of INFL**

It is the intention of the Directors and the directors of INFL to maintain listing of the Shares on the Stock Exchange. Appropriate steps will be taken as soon as possible following closing of the Offer to ensure that not less than 25 per cent. of the Shares will be held in public hands.

**The Stock Exchange has stated that it will closely monitor trading in the Shares. If, immediately following closing of the Offer, less than 25 per cent. of the Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading in the Shares or there are too few Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares until a sufficient public float is attained.**

**The Stock Exchange has also stated that, if HKBLA remains a listed company, any future injection of assets into or disposal of assets of HKBLA will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has discretion to require HKBLA to issue a circular to its shareholders where any acquisition or disposal by HKBLA is proposed, irrespective of the size of such acquisition or disposal and in particular where such acquisition or disposal represents a departure from the principal activities of HKBLA. The Stock Exchange also has the power, pursuant to the Listing Rules, to aggregate a series of acquisitions or disposals by HKBLA and any such acquisitions or disposals may, in any event, result in HKBLA being treated as a new applicant for listing and subject to the requirements for new applicants as set out in the Listing Rules.**

As regards the intention of INFL in relation to the business of the HKBLA Group, please refer to the section headed “Reasons for and benefits of the Acquisition of the Sale Shares” above.

### **Total Consideration**

At present, there are 225,000,000 Shares in issue. At a cash offer price of HK\$1.0933 per Share, the Offer values the entire issued share capital of HKBLA at HK\$245,992,500. Full acceptance of the Offer would require INFL to pay an aggregate amount approximately HK\$61,976,000. SHK is satisfied that sufficient financial resources are available to INFL to satisfy full acceptance of the Offer.

### **Effects of accepting the Offer**

By accepting the Offer, shareholders of HKBLA will sell their Shares and all rights attaching to them as at the date of this announcement, including the right to receive all dividends and distributions declared, paid or made on or after the date of this announcement.

## **Stamp duty**

Seller's ad valorem stamp duty arising in connection with acceptance of the Offer, amounting to 0.1 per cent. of the consideration payable in respect of the relevant acceptance by shareholders of HKBLA, will be deducted from the consideration due to such person on acceptance of the Offer. INFL will arrange for payment of the stamp duty in connection with such sale.

## **Dealings and holdings in securities of HKBLA**

So far as the Directors are aware, having made all reasonable enquiries, during the six month period preceding the date of this announcement, other than the conditional acquisition of the Sale Shares under the Agreement, there were no dealings in Shares by INFL or any person acting in concert with it.

## **Arrangements in connection with the Offer**

Other than the conditional acquisition of the Sale Shares under the Agreement and the intention to maintain public float of HKBLA, there are no agreements, arrangements or understandings (including compensation arrangements) existing between the Company, INFL or any person acting in concert with either of them and any of the directors, recent directors, shareholders or recent shareholders of HKBLA having any connection with or dependence upon the Offer or in relation to the shares of INFL, and there is no intention to enter into any such agreement, arrangement or understanding.

## **Financial Adviser**

SHK has been appointed financial adviser to INFL in connection with the Offer.

## **OFFER DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this announcement (or such later date as the Executive may approve), an offer document containing, amongst other things, the terms of the Offer, together with forms of acceptance and transfer, will be despatched by INFL to shareholders of HKBLA in connection with the Offer. The consent of the Executive will be sought, under Rule 8.2 of the Takeovers Code, to extend the period within which to despatch the offer document. It is expected that the Executive will require that the offer document be despatched within seven days of fulfilment (or, with respect to one condition only, waiver) of all the conditions under the Agreement. Further announcements will be made on the timing of the despatch of the offer document.

**It is a pre-condition of the Offer that the acquisition of the Sale Shares is completed, and the Offer may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of the Company.**

## **RESUMPTION OF TRADING**

Trading in the shares of the Company was suspended at the request of the Company with effect from 10:09 a.m. on 20th June, 2005, pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 7th July, 2005.

## **DIRECTORS**

As at the date of this announcement, the Directors are:

### *Executive Directors:*

Mr. Lee Seng Hui (Chief Executive), Mr. Edwin Lo King Yau

### *Non-executive Directors:*

Ms. Lee Su Hwei, Mr. Arthur George Dew

### *Independent non-executive Directors:*

Sir Gordon Macwhinnie (Non-executive Chairman), Mr. Wong Po Yan, Mr. David Craig Bartlett, Mr. John Douglas Mackie

As at the date of this announcement, the directors of INFL are Mr. Akihiro Nagahara, Mr. Thomas Ma Wai Kin and Mr. Stephen Lo Kam Fai

## **DEFINITIONS**

“Agreement”	the agreement for sale and purchase dated 18th June, 2005, relating to the conditional acquisition of Sale Shares
“Company”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Executive”	Executive Director of the Corporate Finance Division of the Securities and Futures Commission, or any delegate of the Executive Director
“Group”	the Company, its subsidiaries, associates and jointly controlled entities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKBLA”	The Hong Kong Building and Loan Agency Limited, a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange
“HKBLA Group”	HKBLA and its subsidiary
“HKCB”	HKCB Corporation Limited, an indirect wholly-owned subsidiary of LCR
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“INFL”	Island New Finance Limited, a company incorporated in the British Virgin Islands with limited liability and (through Onspeed Investments Limited) an indirect wholly-owned subsidiary of UAF
“LCR”	Lippo China Resources Limited, a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange, and indirectly owned as to approximately 71.13 per cent. by Lippo

“Lippo”	Lippo Limited, a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offer”	mandatory cash offer for all Offer Shares
“Offer Shares”	Shares in respect of which the Offer is made, being Shares not already owned or agreed to be acquired by INFL
“Sale Shares”	168,313,038 Shares to be bought and sold pursuant to the Agreement
“Shares”	ordinary shares of nominal value of HK\$1.00 each in the share capital of HKBLA
“SHK”	Sun Hung Kai International Limited, a licensed person registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to engage in dealing in securities, advising on securities and advising on corporate finance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Code on Takeovers and Mergers
“UAF”	United Asia Finance Limited, a company incorporated in Hong Kong with limited liability

By Order of the Board  
**Allied Group Limited**  
**Edwin Lo King Yau**  
*Director*

By Order of the Board  
**Island New Finance Limited**  
**Akihiro Nagahara**  
*Director*

Hong Kong, 6th July, 2005

*The directors of Allied Group Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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 statement in this announcement misleading.*

*The directors of Island New Finance Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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 statement in this announcement misleading.*

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