

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

**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)**

JOINT ANNOUNCEMENT

The board of directors of Lippo is pleased to announce, and the respective boards of directors of LCR and HKBLA have been informed by Lippo and jointly announce, that at the extraordinary general meeting of Lippo (the "EGM") held on 7th September, 2005, the ordinary resolution proposed to approve the Sale and Purchase Agreement for the purchase of 168,313,038 shares in HKBLA by the Purchaser was passed by the Independent Shareholders. As a consequence, all of the Conditions set out in Clause 4 of the Sale and Purchase Agreement have now been fulfilled.

Completion of the Sale and Purchase Agreement is expected to take place on 12th September, 2005.

The respective boards of directors of Lippo, LCR and HKBLA refer to their joint announcement dated 6th July, 2005 and Lippo's circular dated 11th August, 2005 (the "Circular") relating to the Sale and Purchase Agreement. Terms used in this announcement have the same meanings as defined in the Circular unless otherwise stated.

RESULTS OF THE EGM

The EGM was held on 7th September, 2005 to consider the resolution to approve the Sale and Purchase Agreement for the purchase of 168,313,038 shares in HKBLA by the Purchaser.

The board of directors of Lippo is pleased to announce, and the respective boards of directors of LCR and HKBLA have been informed by Lippo and jointly announce, that the ordinary resolution proposed at the EGM was duly passed. Of the 389,785,010 Lippo shares held by all Independent Shareholders, votes in respect of 309,388,878 Lippo shares were cast at the EGM. Independent Shareholders holding 309,388,878 shares of Lippo, representing 100% of the votes cast by the Independent Shareholders attending the EGM in person or by proxy or by corporate representative, voted in favour of the resolution, as conducted on a poll. The poll was supervised by Lippo's share registrar, Progressive Registration Limited, who acted as the scrutineer for the purposes of the vote count.

Allied Group and its associates, due to their interest in the transaction, abstained from voting in respect of the resolution considered at the EGM.

COMPLETION OF THE SALE AND PURCHASE AGREEMENT

As a consequence of the passing of the ordinary resolution at the EGM, all of the Conditions set out in Clause 4 of the Sale and Purchase Agreement have now been fulfilled.

Pursuant to the terms of the Sale and Purchase Agreement, Completion is expected to take place on 12th September, 2005.

MANDATORY CASH OFFER

Immediately following Completion, the Purchaser 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 Purchaser is required to make a mandatory cash offer to acquire all the issued shares of HKBLA other than those already owned or agreed to be acquired by the Purchaser and parties acting in concert with it. Further details in relation to the Offer are set out in the joint announcement issued by the Purchaser and Allied Group dated 6th July, 2005, and an offer document in respect of the same will be despatched to the HKBLA shareholders shortly.

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. A separate announcement will be made by HKBLA once the appointment of the independent financial adviser has been finalised and the HKBLA circular will be despatched to the HKBLA shareholders after the offer document has been sent.

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, 7th September, 2005

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

Lippo	LCR	HKBLA
<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 (Chairman) Mr. Leon Nim Leung Chan Mr. Wai Lam Chan
<i>Executive Directors:</i> Mr. Stephen Riady (Chairman) Mr. John Luen Wai Lee (Managing Director and Chief Executive Officer) Mr. Jark Pui Lee Mr. David T. Yeh	<i>Executive Directors:</i> Mr. James Riady (Chairman) Mr. Stephen Riady (Deputy Chairman, Managing Director and Chief Executive Officer) Mr. John Luen Wai Lee	<i>Executive Directors:</i> Mr. David T. Yeh (Chief Executive Officer) 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.