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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)

**HONGKONG
CHINESE LIMITED**

香港華人有限公司*

*(Incorporated in Bermuda
with limited liability)*

(Stock Code: 655)

**JOINT ANNOUNCEMENT
CONNECTED TRANSACTION**

INTRODUCTION

The Board of each of Lippo, LCR and HKC is pleased to announce that an agreement had been reached for the acquisition by DPL, of 15 per cent. of the issued share capital of MCB from the Vendor, being the balance of the issued share capital of MCB not owned by Winwise, a wholly-owned subsidiary of HKC. DPL is a wholly-owned subsidiary of HKC, established for the purposes of the Acquisition. MCB is a licensed credit institution in Macau which carries on banking activities in Macau.

On 17th July, 2007, a conditional sale and purchase agreement was entered into between (1) the Vendor, (2) DPL and (3) MCB pursuant to which DPL agreed to acquire and the Vendor agreed to sell 15 per cent. of the issued share capital of MCB for MOP47,200,000 (equivalent to approximately HK\$45,784,000). The consideration will be satisfied by DPL in cash.

Lippo is interested in approximately 71.13 per cent. of the issued share capital of LCR which in turn is interested in approximately 72.26 per cent. of the issued share capital of HKC. HKC is the holding company of Winwise which holds 85 per cent. of the issued share capital of MCB and the balance of which is held by the Vendor who is also a director of MCB. Accordingly, pursuant to the Listing Rules, as the Vendor is a substantial shareholder and director of MCB, he is a connected person of each of Lippo, LCR and HKC and accordingly the Acquisition constitutes a connected transaction for each of Lippo, LCR and HKC under the Listing Rules.

The applicable percentage ratios (as defined in the Listing Rules) in relation to the Agreement in respect of each of Lippo, LCR and HKC is in excess of 0.1 per cent. but less than 2.5 per cent., therefore the Acquisition is subject only to the reporting and announcement requirements for each of Lippo, LCR and HKC as set out in Rule 14A.32, and is exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

INTRODUCTION

The Board of each of Lippo, LCR and HKC is pleased to announce that an agreement had been reached for the acquisition by DPL, of 15 per cent. of the issued share capital of MCB from the Vendor, being the balance of the issued share capital of MCB not owned by Winwise, a wholly-owned subsidiary of HKC. DPL is a wholly-owned subsidiary of HKC, established for the purposes of the Acquisition. MCB is a licensed credit institution in Macau which carries on banking activities in Macau.

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AGREEMENT

Date: 17th July, 2007

Transaction: The Vendor has agreed to sell, and DPL has agreed to purchase the Sale Shares.

Consideration: The consideration payable by DPL shall be MOP47,200,000 (equivalent to approximately HK\$45,784,000) in cash, of which MOP9,400,000 (equivalent to approximately HK\$9,118,000) was paid on the date of the Agreement as a refundable deposit to the Vendor and part payment of the consideration pending completion. The balance amount of MOP37,800,000 (equivalent to approximately HK\$36,666,000) will be payable in cash on the date of completion (which will be ten Business Days after satisfaction or waiver of the conditions as summarised below).

The consideration was determined after arm's length negotiations between the parties, by reference to the original acquisition costs of the 85 per cent. equity interests in MCB by the HKC Group in 2002, and taking into account the increase in net asset value of MCB since then and the fair value of the property owned by MCB (being "The Macau Chinese Bank Building" in Macau, which is now the headquarter of MCB) as set out in the audited accounts of MCB for the year ended 31st December, 2006. The Board of each of Lippo, LCR and HKC, including the independent non-executive directors, considered that the Agreement was on normal commercial terms and that the consideration price was fair and reasonable so far as the shareholders of Lippo, LCR and HKC were concerned.

Conditions: Completion of the Agreement is conditional upon satisfaction or waiver of the following conditions on or before 31st August, 2007:

- (i) DPL and any holding company or other controller of DPL having been approved by the AMCM as a qualifying shareholder (as defined under the Financial System Act of Macau) of MCB;
- (ii) written consent from the AMCM to the transfer of the Sale Shares to DPL to be requested by the Vendor and DPL in the form set out in the Agreement;
- (iii) all authorisations, consents and approvals of all governmental or regulatory authorities, agencies or bodies which are necessary or required for the purposes of the transactions contemplated by the Agreement having been obtained;
- (iv) if required, a simple majority of the shareholders of each of HKC, LCR and Lippo (excluding those shareholders prohibited by the Listing Rules or the Stock Exchange from voting on the relevant resolution, if any) having approved the transaction contemplated by the Agreement pursuant to the Listing Rules or, if permitted by the Stock Exchange and where applicable pursuant to the Listing Rules, written approvals in lieu of resolutions passed at their respective general meetings;
- (v) all representation and warranties contained therein made by the Vendor and the Purchaser shall be true and accurate when made and at the time of completion, as though then made; and
- (vi) there shall have been compliance with the covenants and obligations on the part of the Vendor and the Purchaser contained in the Agreement which are to be complied with at or prior to the time of completion, each and every one of which is thereby deemed to be a condition to completion.

If the conditions precedents referred to above are not fulfilled or waived by 31st August, 2007 or the Long Stop Date, the Agreement shall, save as otherwise provided therein, become null and void and none of the parties shall have any rights against any other party.

The consideration to be paid by DPL will be funded from internal resources.

REASON FOR THE TRANSACTION

Winwise, and DPL, as its wholly-owned subsidiary, have decided to acquire the entire issued share capital of MCB by the acquisition of the Sale Shares from the minority shareholder of MCB in order to provide Winwise and DPL with strategic flexibility over MCB with 100 per cent. ownership of MCB.

INFORMATION ON WINWISE AND DPL

The principal business activity of Winwise is investment holding. DPL was established for the purposes of the Acquisition and it is intended that the principal business activity of DPL will be the holding company of the Sale Shares.

INFORMATION ON LIPPO, LCR AND HKC

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, retail business, fund management, underwriting, corporate finance, securities broking, securities investment, treasury investment, money lending, banking and other related financial services.

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

LISTING RULES IMPLICATIONS

Lippo is interested in approximately 71.13 per cent. of the issued share capital of LCR which in turn is interested in approximately 72.26 per cent. of the issued share capital of HKC. HKC is the holding company of Winwise which holds 85 per cent. of the issued share capital of MCB with the balance being held by the Vendor who is also a director of MCB. Pursuant to the Listing Rules, as the Vendor is a substantial shareholder and director of MCB, he is a connected person of each of Lippo, LCR and HKC and accordingly the Acquisition constitutes a connected transaction for each of Lippo, LCR and HKC under the Listing Rules. To the best of the knowledge, information and belief of the Board of each of Lippo, LCR and HKC, the Vendor acquired the Sale Shares for an aggregate acquisition cost of MOP27,000,000 (equivalent to approximately HK\$26,190,000) for his shareholding in MCB.

The audited net asset value of MCB was MOP213,189,000 (equivalent to approximately HK\$206,793,000) as at 31st December, 2006. The audited net profit before and after tax of MCB for the financial year ended 31st December, 2006 was MOP9,787,000 (equivalent to approximately HK\$9,493,000) and MOP8,664,000 (equivalent to approximately HK\$8,404,000), respectively. The audited net profit before and after tax of MCB for the financial year ended 31st December, 2005 was MOP7,370,000 (equivalent to approximately HK\$7,149,000) and MOP7,030,000 (equivalent to approximately HK\$6,819,000), respectively.

The applicable percentage ratios (as defined in the Listing Rules) in relation to the Agreement in respect of each of Lippo, LCR and HKC is in excess of 0.1 per cent. but less than 2.5 per cent., therefore in respect of each of Lippo, LCR and HKC, the Acquisition is subject only to the reporting and announcement requirements as set out in Rule 14A.32 and is exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

The Board of each of Lippo, LCR and HKC (including their respective independent non-executive directors) are of the opinion that the terms of the Acquisition are fair and reasonable and are in the interests of each of Lippo, LCR and HKC and their respective shareholders as a whole.

DEFINITIONS

Unless otherwise defined, capitalised terms used herein shall have the following meanings:

"Acquisition"	the acquisition of the Sale Shares;
"Agreement"	the conditional sale and purchase agreement entered into between (1) the Vendor, (2) DPL and (3) MCB dated 17th July, 2007, relating to the Acquisition;
"AMCM"	the Autoridade Monetária de Macau;
"Board"	the board of directors;
"Business Day"	a day (other day a Saturday) on which commercial banks in Hong Kong and Macau are open for the transaction of general banking business by members of the public;
"connected person"	has the meaning ascribed to it under the Listing Rules;
"DPL"	Discovery Planet Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Winwise;
"HKC"	Hongkong Chinese Limited (香港華人有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange and an approximate 72.26 per cent. subsidiary of LCR;

"HKC Group"	HKC and its subsidiaries;
"HK\$"	Hong Kong dollar, the lawful currency of the Hong Kong Special Administrative Region of the PRC;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"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 and an approximate 71.13 per cent. subsidiary of Lippo;
"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;
"Listing Rules" or "Rule"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Long Stop Date"	30th September, 2007 or such later date as may be agreed by the parties in writing;
"Macau"	the Macao Special Administrative Region of the PRC;
"MCB"	The Macau Chinese Bank Limited, a company incorporated in Macau, and an 85 per cent. subsidiary of Winwise;
"MOP"	Macau pataca, the lawful currency of Macau;
"PRC"	the People's Republic of China;
"Sale Shares"	270,000 shares of MOP100 each in MCB;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Vendor"	Mr. Wong Kon Kei; and
"Winwise"	Winwise Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of HKC.

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
HONGKONG
CHINESE LIMITED
Andrew Hau
Secretary

Hong Kong, 18th July, 2007

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

LIPPO

Non-executive Director:
Mr. Leon Nim Leung Chan

Executive Directors:

Mr. Stephen Riady
(Chairman)

Mr. John Luen Wai Lee
(Managing Director and
Chief Executive Officer)

Mr. Jark Pui Lee

*Independent Non-executive
Directors:*

Mr. Edwin Neo

Mr. Victor Ha Kuk Yung

Mr. King Fai Tsui

LCR

Non-executive Directors:

Dr. Mochtar Riady
(Honorary Chairman)

Mr. Ning Gaoning
Mr. Leon Nim Leung Chan

Executive Directors:

Mr. James Riady
(Chairman)

Mr. Stephen Riady
(Deputy Chairman,
Managing Director and
Chief Executive Officer)

Mr. John Luen Wai Lee

*Independent Non-executive
Directors:*

Mr. Edwin Neo

Mr. Victor Ha Kuk Yung

Mr. King Fai Tsui

HKC

Non-executive Directors:

Dr. Mochtar Riady
(Chairman)

Mr. Leon Nim Leung Chan

Executive Directors:

Mr. Stephen Riady
(Chief Executive Officer)

Mr. John Luen Wai Lee

Mr. Kee Yee Kor

*Independent Non-executive
Directors:*

Mr. Albert Saychuan Cheok

Mr. Victor Ha Kuk Yung

Mr. King Fai Tsui

** For identification purpose only*

For use in this announcement and for illustration purposes only, conversion of HK\$ into MOP is based on the approximate exchange rate of HK\$0.97 to MOP1. No representation is made that any amount in HK\$ or MOP could be converted at such rate or any other rates.