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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)**



**ALLIED PROPERTIES (H.K.) LIMITED**

**(聯合地產(香港)有限公司)**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 56)**



**新鴻基有限公司**

**SUN HUNG KAI & CO. LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 86)**

**JOINT ANNOUNCEMENT**

**(1) MAJOR TRANSACTION**

**Conditional grant of option over shares and warrants in**

**QUALITY HEALTHCARE ASIA LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 593)**

**(2) RESUMPTION OF TRADING**

On 3rd April, 2006, Wah Cheong (a direct wholly-owned subsidiary of SHK) entered into the Option Agreement with CLSA, pursuant to which CLSA agreed to grant the Option to Wah Cheong at an option consideration of HK\$27,752,291.125, payable by Wah Cheong upon the Option Agreement taking effect.

The Option will entitle Wah Cheong to require CLSA:

- (i) to sell all (but not part) of the Option Shares (being 34,156,666 Shares) at an aggregate exercise price of HK\$83,256,873.375 (i.e. HK\$2.4375 per Option Share); and
- (ii) to exercise all or part of the Option Warrants (being such number of Warrants held by CLSA as would, if exercised, lead to the subscription of 6,943,333 Shares at an initial subscription price of HK\$2.50 per Share) upon Wah Cheong paying the subscription price for such exercise, and following such exercise to transfer to Wah Cheong the resultant Shares issued by QHA to CLSA.

If the Option is exercised in respect of the Option Shares, the aggregate payment for the grant of the Option and for the exercise of the Option over the Option Shares would be HK\$111,009,164.50 (i.e. HK\$3.25 per Option Share). The option consideration is not refundable if Wah Cheong does not exercise the Option.

The Option Agreement will only take effect upon fulfilment of two conditions on or before 31st May, 2006. If either of the two conditions is not fulfilled on or before 31st May, 2006, the Option Agreement will not take effect.

The taking of the Option constitutes a major transaction for each of AGL, APL and SHK under the Listing Rules, on the basis that the calculation of the revenue ratio for each of them is within the range of 25 per cent. and 100 per cent., and is therefore subject to the approval of the respective shareholders of AGL, APL and SHK. The exercise of the Option also constitutes a major transaction for each of AGL, APL and SHK and is also subject to the approval of their respective shareholders. Shareholders' approvals are also sought by AGL, APL and SHK from their respective shareholders for the exercise of the Option pursuant to Rule 14.76(2) of the Listing Rules, which will be sufficient for satisfying the shareholders' approval requirement under Chapter 14 of the Listing Rules in respect of the exercise of the Option.

Under Rule 14.44 of the Listing Rules, as no shareholder of APL is required to abstain from voting if APL were to convene a general meeting for approving the Option Agreement and the exercise of the Option, written approval has been obtained from AGL, as a shareholder of APL holding approximately 74.93 per cent. of the issued share capital of APL as at the date of this announcement, in lieu of holding a general meeting.

In addition, under Rule 14.44 of the Listing Rules, as no shareholder of SHK is required to abstain from voting if SHK were to convene a general meeting for approving the Option Agreement and the exercise of the Option, written approval has been obtained from APL (through its indirect wholly-owned subsidiary), as a shareholder of SHK holding approximately 74.99 per cent. of the issued share capital of SHK as at the date of this announcement, in lieu of holding a general meeting.

AGL, APL and SHK will each despatch a circular containing, amongst other things, details of the terms of the Option Agreement to their respective shareholders as soon as practicable. The circular to be despatched by AGL will also contain a notice to convene an extraordinary general meeting to approve the Option Agreement and the exercise of the Option.

AGL, APL and SHK will each comply with all the applicable takeover and disclosure requirements under the Takeovers Code and the Listing Rules as and when the Option is exercised.

**The grant of the Option is conditional and may or may not proceed. In particular, the rulings sought by Wah Cheong may or may not be granted by the SFC. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of AGL, APL, SHK and QHA.**

Trading in the shares of AGL, APL and SHK on the Stock Exchange was suspended at their respective requests with effect from 9:30 a.m. on 4th April, 2006 pending the release of this announcement. AGL, APL and SHK have each applied for a resumption of trading in their respective shares with effect from 9:30 a.m. on 10th April, 2006.

## **THE CONDITIONAL GRANT OF OPTION**

On 3rd April, 2006, Wah Cheong (a direct wholly-owned subsidiary of SHK) entered into the Option Agreement with CLSA, pursuant to which CLSA agreed to grant the Option to Wah Cheong.

To the best of the AGL Directors' knowledge, information and belief having made all reasonable enquiries, CLSA and its ultimate owners are independent third parties not connected with AGL or its subsidiaries or any of their respective associates, or any of the connected persons of AGL or its subsidiaries or any of their respective associates.

To the best of the APL Directors' knowledge, information and belief having made all reasonable enquiries, CLSA and its ultimate owners are independent third parties not connected with APL or its subsidiaries or any of their respective associates, or any of the connected persons of APL or its subsidiaries or any of their respective associates.

To the best of the SHK Directors' knowledge, information and belief having made all reasonable enquiries, CLSA and its ultimate owners are independent third parties not connected with SHK or its subsidiaries or any of their respective associates, or any of the connected persons of SHK or its subsidiaries or any of their respective associates.

## **THE OPTION AGREEMENT**

### **Date**

3rd April, 2006

### **Parties**

- (1) CLSA as grantor
- (2) Wah Cheong as grantee

### **The Option**

The Option will entitle Wah Cheong to require CLSA:

- (i) to sell all (but not part) of the Option Shares (being 34,156,666 Shares) at an aggregate exercise price of HK\$83,256,873.375 (i.e. HK\$2.4375 per Option Share); and
- (ii) to exercise all or part of the Option Warrants (being such number of Warrants held by CLSA as would, if exercised, lead to the subscription of 6,943,333 Shares at an initial subscription price of HK\$2.50 per Share) upon Wah Cheong paying the subscription price for such exercise, and following such exercise to transfer to Wah Cheong the resultant Shares issued by QHA to CLSA.

The Option is exercisable by Wah Cheong:

- (i) with respect to the Option Shares, at any time within a period of four years from the date of the Option Agreement, by giving an irrevocable notice to CLSA and paying the aggregate exercise price; and
- (ii) with respect to the Option Warrants, on or before 13th January, 2007, by giving irrevocable instructions to CLSA.

There is no right on the part of CLSA under the Option Agreement to require Wah Cheong when or whether to exercise the Option.

The Option over the Option Shares, if not exercised, will lapse after the four year period, upon which the option consideration will be retained by CLSA. The Option over the Option Warrants will lapse, if not exercised or not exercised in full on or before 13th January, 2007, but the option consideration will not be affected.

The Option Shares represent approximately 17.5 per cent. of the existing issued share capital of QHA, which, together with the new Shares fall to be issued upon exercise of the Option Warrants in full (being an aggregate of 41,099,999 Shares), would represent approximately 20.3 per cent. of the issued share capital of QHA as enlarged by issue of the new Shares following exercise of the Option Warrants in full. The Option Shares and the Option Warrants represent all interests of CLSA in QHA as at the date of this announcement. Net profits attributable to the Option Shares and the new Shares fall to be issued upon exercise of the Option Warrants in full for the two financial years ended 31st December, 2005 were:

- (i) approximately HK\$7,872,000 or approximately HK\$0.23 per Share (based on the audited consolidated profits of QHA and its subsidiaries of approximately HK\$45,018,000 for the financial year ended 31st December, 2004 and 195,327,814 existing Shares in issue);
- (ii) approximately HK\$9,817,000 or approximately HK\$0.29 per Share (based on the audited consolidated profits of the QHA and its subsidiaries of approximately HK\$56,140,000 for the financial year ended 31st December, 2005 and 195,327,814 existing Shares in issue);
- (iii) approximately HK\$9,147,000 or approximately HK\$0.22 per Share (based on the audited consolidated profits of QHA and its subsidiaries of approximately HK\$45,018,000 for the financial year ended 31st December, 2004 and 202,271,147 issued Shares following issue of the new Shares upon exercise of the Option Warrants by CLSA in full); and
- (iv) approximately HK\$11,407,000 or approximately HK\$0.28 per Share (based on the audited consolidated profits of QHA and its subsidiaries of approximately HK\$56,140,000 for the financial year ended 31st December, 2005 and 202,271,147 issued Shares following issue of the new Shares upon exercise of the Option Warrants by CLSA in full).

### **Consideration and exercise price**

The consideration for the grant of the Option, which is payable by Wah Cheong upon the Option Agreement taking effect, is HK\$27,752,291.125. The option consideration is not refundable if Wah Cheong does not exercise the Option.

The aggregate exercise price for the Option Shares is HK\$83,256,873.375 (i.e. HK\$2.4375 per Option Share), payable upon exercise of the Option over the Option Shares.

If the Option is exercised in respect of the Option Shares, the aggregate payment for the grant of the Option and for the exercise of the Option over the Option Shares would be HK\$111,009,164.50 (i.e. HK\$3.25 per Option Share).

Both the option consideration and the exercise price were arrived at after arm's length negotiations between Wah Cheong and CLSA. Wah Cheong is prepared to pay the option consideration on the basis that the Option is for a long period of four years, and, having regard to the Option Shares and the new Shares fall to be issued upon exercise of the Option Warrants as a substantial block, the prevailing trading prices of the Shares and the present growing trend of the capital market, considers the exercise price reasonable in the circumstances.

According to CLSA, in determining the option value, it has made reference to the analysis of the discounted anticipated future cash flows and other market comparables in Asia.

The aggregate market value of the Option Shares is approximately HK\$105,885,664 and the Shares when the Option Warrants are exercised in full by CLSA is approximately HK\$21,524,332, both based on the closing price of HK\$3.10 per Share as quoted on the Stock Exchange on 3rd April, 2006, being the last trading day prior to the date of this announcement.

The exercise price of HK\$2.4375 per Option Share represents:-

- a discount of approximately 21.37 per cent. to the closing price of HK\$3.10 per Share as quoted on the Stock Exchange on 3rd April, 2006, being the last trading day prior to the date of this announcement;
- a discount of approximately 11.84 per cent. to the average closing price of HK\$2.765 per Share, based on the daily closing prices as quoted on the Stock Exchange over the five trading days up to and including 3rd April, 2006;
- a discount of approximately 6.70 per cent. to the average closing price of HK\$2.6125 per Share, based on the daily closing prices as quoted on the Stock Exchange over the ten trading days up to and including 3rd April, 2006; and
- a discount of approximately 2.40 per cent. to the average closing price of HK\$2.4975 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 20 trading days up to and including 3rd April, 2006.

Upon exercise of the Option over the Option Shares, stamp duty in respect of the sale and purchase of the Option Shares will be borne and paid by Wah Cheong and CLSA in equal shares.

The payment of the option consideration and payments on exercise of the Option over the Option Shares and over the Option Warrants will be financed from internal resources of Wah Cheong or bank borrowings or both.

## **Conditions**

The Option Agreement will only take effect upon:

- (i) rulings having been received from the SFC that following the granting and taking of the Option, Wah Cheong and CLSA will not be regarded as parties acting in concert for the purposes of the Takeovers Code, and that the taking of the Option by Wah Cheong will not give rise to any obligation to make a mandatory general offer on the part of Wah Cheong under the Takeovers Code in all material substance, without any proviso or requirement being stipulated by the SFC which either CLSA or Wah Cheong (in each case acting reasonably) considers detrimental; and

- (ii) the Option Agreement and the transactions contemplated in it having been approved by the respective shareholders of AGL, APL and SHK in accordance with all applicable requirements under the Listing Rules.

If either of the above conditions is not fulfilled on or before 31st May, 2006, the Option Agreement will not take effect.

**The grant of the Option is conditional and may or may not proceed. In particular, the rulings sought by Wah Cheong may or may not be granted by the SFC. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of AGL, APL, SHK and QHA.**

### **Conditions of exercise**

In the Option Agreement, CLSA has given warranties and undertakings, amongst other things, in respect of the Option Shares (including the number of Shares to be delivered upon exercise of the Option Shares) and the Option Warrants. Any breach of any of the warranties or undertakings will entitle Wah Cheong to terminate the Option Agreement, upon which CLSA will refund the option consideration with interest and fully indemnify Wah Cheong for all losses and damages.

If, as a result on the part of CLSA, listing of the Option Shares has been withdrawn (other than for any temporary suspension) from the Main Board of the Stock Exchange, Wah Cheong will be entitled to terminate the Option Agreement, upon which CLSA will refund the option consideration with interest.

### **INFORMATION ABOUT QHA**

QHA is a company incorporated in Bermuda with limited liability. Its securities are listed on the Main Board of the Stock Exchange.

The principal business activities of QHA and its subsidiaries comprise health administration, medical scheme administration, and the provision of healthcare services. The latest audited net asset value of QHA as at 31st December, 2005 is HK\$150,287,000. There will not be any change to the board of directors of QHA as a result of the granting or taking of the Option.

### **INFORMATION ABOUT AGL, APL, SHK AND WAH CHEONG**

#### **AGL**

AGL is a company incorporated in Hong Kong with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, and the provision of financial services.



## **APL**

APL is a company incorporated in Hong Kong with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

The principal business activity of APL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, and the provision of financial services.

As at the date of this announcement, APL is beneficially owned as to approximately 74.93 per cent. by AGL.

## **SHK**

SHK is a company incorporated in Hong Kong with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

The principal business activity of SHK is investment holding. The principal business activities of its major subsidiaries are securities, leveraged forex, bullion, commodities, futures and options broking, provision of online financial services and online financial information, share margin and structured financing, financial planning and wealth management, asset management, corporate finance, strategic investment, and insurance broking.

As at the date of this announcement, SHK is beneficially owned as to approximately 74.99 per cent. by APL.

## **Wah Cheong**

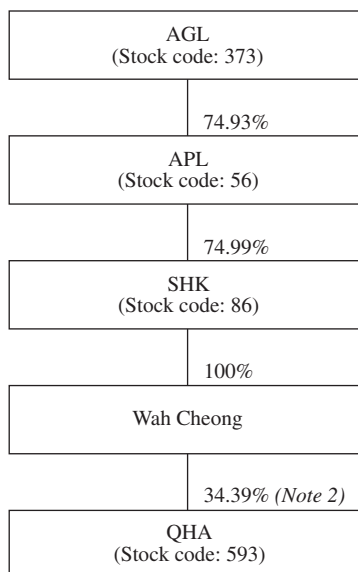
Wah Cheong is a direct wholly-owned subsidiary of SHK.

As at the date of this announcement, Wah Cheong is the beneficial owner of 67,188,357 Shares, representing approximately 34.39 per cent. of the existing issued share capital of QHA. It also holds Warrants, which, if exercised, would lead to the subscription of 12,544,632 Shares. Exercise of such Warrants in full would result in Wah Cheong holding 79,732,989 Shares, representing approximately 38.36 per cent. of the issued share capital of QHA as enlarged by issue of the new Shares following exercise of such Warrants in full.

Assuming that (i) no new Shares are issued by QHA (other than those issued following exercise in full of the Option Warrants), (ii) the Option is exercised in respect of the Option Shares, (iii) the Option Warrants have been exercised in full by CLSA at Wah Cheong's request pursuant to the Option and the resultant Shares have been transferred to Wah Cheong by CLSA, and (iv) Wah Cheong does not exercise any of the Warrants held by it, Wah Cheong will own 108,288,356 Shares, representing approximately 55.44 per cent. of the existing issued share capital of QHA and approximately 53.54 per cent. of the issued share capital of QHA as enlarged by the issue of the Shares following exercise in full of the Option Warrants. In such event, QHA, which is now an associated company of SHK, will become a subsidiary of SHK.

## Group Chart

An overview of the shareholding structure of AGL, APL, SHK, Wah Cheong and QHA as at the date of this announcement is set out below:



Notes:

- (1) Wholly-owned intermediate holding companies are not shown in the above group chart.
- (2) Assuming that (i) no new Shares are issued by QHA (other than those issued following exercise in full of the Option Warrants), (ii) the Option is exercised in respect of the Option Shares, (iii) the Option Warrants have been exercised in full by CLSA at Wah Cheong's request pursuant to the Option and the resultant Shares have been transferred to Wah Cheong by CLSA, and (iv) Wah Cheong does not exercise any of the Warrants held by it, Wah Cheong will own 108,288,356 Shares, representing approximately 55.44 per cent. of the existing issued share capital of QHA and approximately 53.54 per cent. of the issued share capital of QHA as enlarged by the issue of the Shares following exercise in full of the Option Warrants.

## INFORMATION ABOUT CLSA

The AGL Directors, the APL Directors and the SHK Directors are advised that CLSA is a member of the CLSA Asia Pacific Markets Group, which is a comprehensive institutional broking, investment banking and asset management group.

To the best of the AGL Directors' knowledge, information and belief having made all reasonable enquiries, CLSA and its ultimate owners are independent third parties not connected with AGL or its subsidiaries or any of their respective associates, or any of the connected persons of AGL or its subsidiaries or any of their respective associates.

To the best of the APL Directors' knowledge, information and belief having made all reasonable enquiries, CLSA and its ultimate owners are independent third parties not connected with APL or its subsidiaries or any of their respective associates, or any of the connected persons of APL or its subsidiaries or any of their respective associates.

To the best of the SHK Directors' knowledge, information and belief having made all reasonable enquiries, CLSA and its ultimate owners are independent third parties not connected with SHK or its subsidiaries or any of their respective associates, or any of the connected persons of SHK or its subsidiaries or any of their respective associates.



## **REASONS FOR AND BENEFITS OF THE OPTION**

According to CLSA, the business of QHA is not related to its core business. On 23rd March, 2000, in relation to QHA's intention to make a general offer for ehealthcareasia Ltd., CLSA entered into a bridge finance facility with QHA. In September 2000, the facility was extended. In April 2001, the facility was re-negotiated to give CLSA an equity conversion right. Subsequently, CLSA exercised its equity conversion right and became the owner of the Option Shares and the Option Warrants. In order to strengthen its future business development and continued growth, CLSA wishes to allocate more resources to its core business. Accordingly, CLSA intends to dispose of the Option Shares and the Option Warrants in the Hong Kong securities market. Insufficient demand for the Shares in the market, however, renders it difficult for the Option Shares to be absorbed by investors. As a result, CLSA approached Wah Cheong for the potential future sale of the Option Shares and the Option Warrants by way of granting the Option.

Upon the request of CLSA, Wah Cheong, after due consideration, has agreed to enter into negotiations with CLSA with a view to taking the Option on the basis that it is fair and just and to the benefit of the shareholders of SHK. The SHK Directors consider the taking of the Option a good opportunity, with sufficient flexibility, for SHK to increase its investments in QHA significantly, as and when the SHK Directors see fit at any time within the coming four years.

Having regard to the financial position and business operation of QHA and its subsidiaries, the AGL Directors, the APL Directors and the SHK Directors all believe that the terms of the Option Agreement are fair and reasonable and in the interests of the shareholders of AGL, APL and SHK taken as a whole.

## **LISTING RULES IMPLICATIONS**

The taking of the Option constitutes a major transaction for each of AGL, APL and SHK under the Listing Rules, on the basis that the calculation of the revenue ratio for each of them is within the range of 25 per cent. and 100 per cent., and is therefore subject to the approval of the respective shareholders of AGL, APL and SHK. The exercise of the Option also constitutes a major transaction for each of AGL, APL and SHK and is also subject to the approval of their respective shareholders. Shareholders' approvals are also sought by AGL, APL and SHK from their respective shareholders for the exercise of the Option pursuant to Rule 14.76(2) of the Listing Rules, which will be sufficient for satisfying the shareholders' approval requirement under Chapter 14 of the Listing Rules in respect of the exercise of the Option.

Under Rule 14.44 of the Listing Rules, as no shareholder of APL is required to abstain from voting if APL were to convene a general meeting for approving the Option Agreement and the exercise of the Option, written approval has been obtained from AGL, as a shareholder of APL holding approximately 74.93 per cent. of the issued share capital of APL as at the date of this announcement, in lieu of holding a general meeting.

In addition, under Rule 14.44 of the Listing Rules, as no shareholder of SHK is required to abstain from voting if SHK were to convene a general meeting for approving the Option Agreement and the exercise of the Option, written approval has been obtained from APL (through its indirect wholly-owned subsidiary), as a shareholder of SHK holding approximately 74.99 per cent. of the issued share capital of SHK as at the date of this announcement, in lieu of holding a general meeting.

AGL, APL and SHK will each despatch a circular containing, amongst other things, details of the terms of the Option Agreement to their respective shareholders as soon as practicable. The circular to be despatched by AGL will also contain a notice to convene an extraordinary general meeting to approve the Option Agreement and the exercise of the Option.

AGL, APL and SHK will each comply with all the applicable takeover and disclosure requirements under the Takeovers Code and the Listing Rules as and when the Option is exercised.

Trading in the shares of AGL, APL and SHK on the Stock Exchange was suspended at their respective requests with effect from 9:30 a.m. on 4th April, 2006 pending the release of this announcement. AGL, APL and SHK have each applied for a resumption of trading in their respective shares with effect from 9:30 a.m. on 10th April, 2006.

## **DIRECTORS**

### **AGL Directors**

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

#### *Executive Directors:*

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

#### *Non-executive Directors:*

Ms. Lee Su Hwei, Mr. Arthur George Dew

#### *Independent non-executive Directors:*

Mr. Wong Po Yan, Mr. David Craig Bartlett, Mr. John Douglas Mackie, Mr. Alan Stephen Jones

### **APL Directors**

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

#### *Executive Directors:*

Mr. Patrick Lee Seng Wei (Chief Executive), Mr. Li Chi Kong

#### *Non-executive Directors:*

Mr. Henry Lai Hin Wing, Mr. Steven Lee Siu Chung

#### *Independent non-executive Directors:*

Mr. John Douglas Mackie, Mr. Steven Samuel Zoellner, Mr. Alan Stephen Jones

### **SHK Directors**

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

*Executive Directors:*

Mr. Patrick Lee Seng Wei, Mr. Joseph Tong Tang

*Non-executive Director:*

Mr. Arthur George Dew (Chairman)

*Independent non-executive Directors:*

Mr. David Craig Bartlett, Mr. Carlisle Caldwell Procter, Mr. Peter Wong Man Kong, Mr. Alan Stephen Jones

## **DEFINITIONS**

“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, with its shares listed on the Main Board of the Stock Exchange
“AGL Directors”	directors of AGL
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, with its shares listed on the Main Board of the Stock Exchange
“APL Directors”	directors of APL
“CLSA”	CLSA Capital Limited, a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Option”	the option granted by CLSA to Wah Cheong under the Option Agreement
“Option Agreement”	the call option agreement dated 3rd April, 2006, pursuant to which the Option is granted
“Option Shares”	the 34,156,666 Shares held by CLSA, over which the Option is granted under the Option Agreement
“Option Warrants”	the number of Warrants held by CLSA, which, if exercised, would lead to the subscription of 6,943,333 Shares at an initial subscription price of HK\$2.50 per Share (subject to adjustments), over which the Option is granted under the Option Agreement

“QHA”	Quality HealthCare Asia Limited, a company incorporated in Bermuda with limited liability, with its securities listed on the Main Board of the Stock Exchange
“SFC”	Securities and Futures Commission
“Shares”	ordinary shares of nominal value of HK\$0.10 each in the share capital of QHA
“SHK”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability, with its shares listed on the Main Board of the Stock Exchange
“SHK Directors”	directors of SHK
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Code on Takeovers and Mergers
“Wah Cheong”	Wah Cheong Development (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of SHK
“Warrants”	listed subscription warrants issued by QHA on 12th January, 2004 at an initial subscription price of HK\$2.50 per Share and an existing adjusted subscription price of HK\$2.46 per Share (subject to further adjustments)

On behalf of the Board  
**Allied Group Limited**  
**Edwin Lo King Yau**  
*Executive Director*

On behalf of the Board  
**Allied Properties (H.K.) Limited**  
**Li Chi Kong**  
*Executive Director*

On behalf of the Board  
**Sun Hung Kai & Co. Limited**  
**Joseph Tong Tang**  
*Executive Director*

Hong Kong, 7th April, 2006

*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 Allied Properties (H.K.) 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 Sun Hung Kai & Co. 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.*