



**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**

**MAJOR TRANSACTION**

**Conditional grant of option over shares and warrants in  
QUALITY HEALTHCARE ASIA LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 593)

**(1) UPDATE ON THE GRANTING AND TAKING OF THE OPTION**

**(2) FURTHER DELAY IN DESPATCH OF CIRCULARS**

- (1) Update on the granting and taking of the Option  
On 18th May, 2006, Wah Cheong (a direct wholly-owned subsidiary of SHK) entered into the Supplemental Letter with CLSA in relation to amending the terms contained in the Option Agreement, pursuant to which both parties have agreed:-
- to reduce the option consideration from HK\$27,752,291.125 to HK\$11,100,916.45 for the Option Shares;
  - to increase the aggregate exercise price from HK\$83,256,873.375 (i.e. HK\$2.4375 per Option Share) to HK\$99,908,248.05 (i.e. HK\$2.925 per Option Share);
  - with respect of the Option Shares, to shorten the option period for exercising the Option from a period of four years from the date of the Option Agreement (i.e. 3rd April, 2006) to a period of one year from the day on which the Option Agreement takes effect; and
  - to extend the deadline for fulfilment of the two conditions of the Option Agreement from 31st May, 2006 to 31st July, 2006 (if either of the two conditions is not fulfilled on or before 31st July, 2006, the Option Agreement will not take effect).

Except as amended or modified by the Supplemental Letter, the Option Agreement remains and continues in full force and effect.

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 remain unchanged i.e. HK\$11,009,164.50 in aggregate (or HK\$3.25 per Option Share).

**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 and SHK.**

- (2) Further delay in despatch of circulars  
AGL, APL and SHK have each applied to the Stock Exchange for a further extension of time for despatch of their respective circulars from 22nd May, 2006 to 19th June, 2006.

- (1) **Update on the granting and taking of the Option**  
Reference is made to the first joint announcement of AGL, APL and SHK dated 7th April, 2006 (the "First Announcement"), in relation to the conditional grant of the Option over the Option Shares (being 34,156,666 Shares in QHA) and Option Warrants (being such number of Warrants held by CLSA as would, if exercised, lead to the subscription of 6,943,333 Shares in QHA at an initial subscription price of HK\$2.50 per Share) by CLSA to Wah Cheong. Terms defined in the First Announcement have the same meanings when used in this announcement.

On 18th May, 2006, Wah Cheong (a direct wholly-owned subsidiary of SHK) entered into a letter agreement (the "Supplemental Letter") with CLSA in relation to amending the terms contained in the Option Agreement, pursuant to which both parties have agreed:-

- to reduce the option consideration from HK\$27,752,291.125 to HK\$11,100,916.45 for the Option Shares;
- to increase the aggregate exercise price from HK\$83,256,873.375 (i.e. HK\$2.4375 per Option Share) to HK\$99,908,248.05 (i.e. HK\$2.925 per Option Share);
- with respect of the Option Shares, to shorten the option period for exercising the Option from a period of four years from the date of the Option Agreement (i.e. 3rd April, 2006) to a period of one year from the day on which the Option Agreement takes effect; and
- to extend the deadline for fulfilment of the two conditions of the Option Agreement from 31st May, 2006 to 31st July, 2006 (if either of the two conditions is not fulfilled on or before 31st July, 2006, the Option Agreement will not take effect).

Except as amended or modified by the Supplemental Letter, the Option Agreement remains and continues in full force and effect.

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 remain unchanged i.e. HK\$11,009,164.50 in aggregate (or HK\$3.25 per Option Share).

The revised exercise price of HK\$2.925 per Option Share represents:-

- a premium of approximately 4.46 per cent. over the closing price of HK\$2.80 per Share as quoted on the Stock Exchange on 18th May, 2006, being the date of this announcement;
- a premium of approximately 4.46 per cent. over the average closing price of HK\$2.80 per Share, based on the daily closing prices as quoted on the Stock Exchange over the five trading days up to and including 18th May, 2006;
- a premium of approximately 3.63 per cent. over the average closing price of HK\$2.8225 per Share, based on the daily closing prices as quoted on the Stock Exchange over the ten trading days up to and including 18th May, 2006; and
- a premium of approximately 1.83 per cent. over the average closing price of HK\$2.8725 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 20 trading days up to and including 18th May, 2006.

**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 and SHK.**

(2) **Further Delay In Despatch Of Circulars**

Reference is also made to the second joint announcement of AGL, APL and SHK dated 28th April, 2006 in relation to the delay in despatch of their respective circulars from 1st May, 2006 to 22nd May, 2006. Since the publication of the First Announcement, Wah Cheong and CLSA have been engaged in negotiations leading to the execution of the Supplemental Letter. Such negotiations have direct impact on how the circulars are to be prepared, and certain financial information to be included in the circulars is also required to be updated. As a result, additional time is required by AGL, APL and SHK to finalise the preparation of the circulars. Accordingly, AGL, APL and SHK have each obtained a waiver from the Stock Exchange for strict compliance with Rule 14.38 of the Listing Rules and the despatch of their respective circulars are postponed from 22nd May, 2006 to 19th June, 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. Alan Stephen Jones, Mr. Carlisle Caldwell Procter, Mr. Peter Wong Man Kong

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, 18th May, 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.*