



Quality HealthCare Asia Limited

卓健亞洲有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 593)



ALLIED GROUP LIMITED

(聯合集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 373)

**JOINT ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTION**

This joint announcement is voluntarily issued by QHA and AGL pursuant to Rule 13.09 of the Listing Rules in respect of the arrangement for the reimbursement of the consultancy fee of Mr. Dew by QHA to AGL for the information of the respective shareholders of QHA and AGL.

As at the date of this announcement, AGL is the ultimate holding company of SHK which is a substantial shareholder indirectly holding approximately 51.15% interest in QHA and thereby AGL is an associate of a connected person of QHA under the Listing Rules. Accordingly, the entering into of the Agreement and the arrangement for the reimbursement of the consultancy fee of Mr. Dew contemplated thereunder will constitute continuing connected transaction for QHA and will fall within the de minimis threshold under Chapter 14A of the Listing Rules, which will be exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. Nevertheless, the directors of both QHA and AGL decided to issue this joint announcement for the information of their respective shareholders.

In view of the fact that Mr. Dew, after taken up the role as the chairman of AGL and its subsidiary APL, continues devoting part of his time and efforts to the affairs of QHA and its subsidiaries or associated companies in such capacities, QHA and AGL entered into the Agreement on 2 March 2007, pursuant to which QHA agreed to reimburse AGL a portion of the consultancy fee of Mr. Dew paid by AGL for the period commencing from 1 January 2007 and ending on 31 December 2007. The fee payable by QHA to AGL under the Agreement is determined by reference to the percentage of time that Mr. Dew devotes to the affairs of QHA against the amount of time he devotes to the affairs of AGL and APL, which is agreed at HK\$50,000 per month and will be payable by QHA to AGL on a quarterly basis. The Agreement may be terminated by either party giving the other one month's prior written notice or will automatically be terminated and be of no further effect in the event that Mr. Dew ceases to be an executive director and the chairman of QHA.

The directors of both QHA and AGL consider that it is reasonable for QHA to reimburse AGL a portion of the consultancy fee of Mr. Dew on the basis of the time and efforts that Mr. Dew devotes to the affairs of QHA and its subsidiaries or associated companies. The directors of both QHA and AGL are of the view that the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the shareholders of both QHA and AGL are concerned.

As at the date of this announcement, AGL is the ultimate holding company of SHK which is a substantial shareholder indirectly holding approximately 51.15% interest in QHA and thereby AGL is an associate of a connected person of QHA under the Listing Rules. Accordingly, the entering into of the Agreement and the arrangement for the reimbursement of the consultancy fee of Mr. Dew contemplated thereunder will constitute continuing connected transaction for QHA and will fall within the de minimis threshold under Chapter 14A of the Listing Rules, which will be exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. Nevertheless, the directors of both QHA and AGL decided to issue this joint announcement for the information of their respective shareholders.

Definitions

For the purposes of this announcement, capitalised terms appearing herein shall, unless the context otherwise admits, have the meanings set out below:

“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
“Agreement”	the agreement dated 2 March 2007 between QHA and AGL in respect of the reimbursement by QHA to AGL of a portion of the consultancy fee of Mr. Dew paid by AGL
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange, and a non wholly-owned subsidiary of AGL and holding company of SHK
“associate”	having the meaning ascribed to it under the Listing Rules
“connected person”	having the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Dew”	Mr. Arthur George Dew, the chairman of AGL, APL and QHA
“QHA”	Quality HealthCare Asia Limited, a company incorporated in Bermuda with limited liability, with its shares listed on the Main Board of the Stock Exchange
“SHK”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange, and the holding company of QHA
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	having the meaning ascribed to it under the Listing Rules

On behalf of the Board
Quality HealthCare Asia Limited
Mark Wong Tai Chun
Executive Director

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

Hong Kong, 2 March 2007

Directors of QHA

As at the date of this announcement, the board of directors of QHA comprises Mr. Arthur George Dew (Chairman), Dr. Lincoln Chee Wang Jin and Mr. Mark Wong Tai Chun being the executive directors, and Messrs. Francis J. Chang Chu Fai (Deputy Chairman), Li Chak Hung and Carlisle Caldwell Procter being the independent non-executive directors.

Directors of AGL

As at the date of this announcement, the board of directors of AGL comprises Messrs. Lee Seng Hui (Chief Executive), Edwin Lo King Yau and Mak Pak Hung being the executive directors, Mr. Arthur George Dew (Chairman) and Ms. Lee Su Hwei being the non-executive directors, and Messrs. Wong Po Yan, David Craig Bartlett, John Douglas Mackie and Alan Stephen Jones being the independent non-executive directors.

* For identification purposes only