



# **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)**

## **ANNOUNCEMENT**

### **PARTIAL REDEMPTION OF THE PRINCIPAL AMOUNT OF THE CONVERTIBLE BONDS**

On 22nd February, 2007, a resolution in writing was signed by Citiwealth Investment Limited and Bank of China (Hong Kong) Nominees Limited, being Bondholders holding an aggregate of not less than 75 per cent. in principal amount of the Convertible Bonds as at the date of such resolution and as at the date of this announcement, to approve a partial redemption by the Company of the principal amount of the Convertible Bonds. The total principal amount to be redeemed is HK\$268,649,720 out of the total principal amount of the Convertible Bonds of HK\$537,299,440 outstanding as at the date of such resolution and as at the date of this announcement, being HK\$5 out of the principal amount of HK\$10 per Convertible Bond.

The redemption monies under the partial redemption of the Convertible Bonds, together with accrued interest, will be payable on Thursday, 22nd March, 2007 to the Bondholders whose names appear on the register of Convertible Bonds as at 4:30 p.m. (Hong Kong time) on Wednesday, 7th March, 2007.

Cheques for the redemption monies, together with accrued interest, are expected to be sent to the Bondholders named on the register of Bondholders of the Company as at 4:30 p.m. (Hong Kong time) on Wednesday, 7th March, 2007, through ordinary post to the addresses specified in the register of Bondholders of the Company, on or before Thursday, 22nd March, 2007.

The existing certificates for Convertible Bonds will cease to be good for delivery but will continue to be good evidence of legal title to the balance of the principal amount of the Convertible Bonds, i.e. HK\$5 per Convertible Bond, and may be exchanged free of charge for new certificates for Convertible Bonds for the balance of the principal amount of the Convertible Bonds at any time during office hours between Thursday, 8th March, 2007 and Wednesday, 4th April, 2007.

Reference is made to the prospectus of the Company dated 12th October, 2006 (the "Prospectus") in relation to an open offer of the Convertible Bonds. Terms used in the Prospectus have the same meanings when used in this announcement, unless the context requires otherwise.

#### **EXTRAORDINARY RESOLUTION**

The Company proposes to redeem part of the principal amount of each Convertible Bond, which, under Paragraph 16 of Schedule 2 to the Instrument, requires the passing of an extraordinary resolution at a meeting of Bondholders. Paragraph 19 of Schedule 2 to the Instrument provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Convertible Bonds is, for all purposes, as valid and effectual as an extraordinary resolution passed at a meeting of Bondholders.

Paragraph 17 of Schedule 2 to the Instrument further provides that an extraordinary resolution so passed will be binding on all the Bondholders, and each of the Bondholders will be bound to give effect to it accordingly.

On 22nd February, 2007, a resolution in writing was signed by Citiwealth Investment Limited and Bank of China (Hong Kong) Nominees Limited, being Bondholders holding an aggregate of not less than 75 per cent. in principal amount of the Convertible Bonds as at the date of such resolution and as at the date of this announcement, to approve a partial redemption by the Company of the principal amount of the Convertible Bonds. The total principal amount to be redeemed is HK\$268,649,720 out of the total principal amount of the Convertible Bonds of HK\$537,299,440 outstanding being HK\$5 out of the principal amount of HK\$10 per Convertible Bond.

## **PARTIAL REDEMPTION**

The redemption monies under the partial redemption of the Convertible Bonds, together with accrued interest, will be payable on Thursday, 22nd March, 2007 to the Bondholders whose names appear on the register of Convertible Bonds as at 4:30 p.m. (Hong Kong time) on Wednesday, 7th March, 2007.

The Directors consider that the partial redemption of the Convertible Bonds provides a good opportunity for the Group to reduce its liabilities and interest payment obligations and to improve its financial position.

As stated in the Prospectus, one of the major reasons for the issue of the Convertible Bonds was to enable the Company to restore, to the extent possible, its shareholding percentage in Sun Hung Kai & Co. Limited (“SHK”), which was diluted in the top-up placing arrangement of SHK in August 2006. Following completion of such top-up placing arrangement, one of the placees has become a substantial shareholder of SHK, whose shares in SHK are, by such reason, not regarded as being held in public hands for the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Public disclosures reveal that since then, such placee has not disposed of any of its shares in SHK. Any increase in APL’s shareholding percentage in SHK may therefore have further impact on the public float of SHK and give rise to the risk of the public float of SHK not being maintained in accordance with the requirements under the Listing Rules. Accordingly, the Directors do not foresee any opportunity, in the short or medium run, for the Company to apply any significant part of the proceeds of the issue of the Convertible Bonds to restore its shareholding percentage in SHK.

The Directors believe that the partial redemption of the Convertible Bonds is fair and reasonable and is in the interests of the Company and its shareholders taken as a whole.

## **CLOSURE OF REGISTER OF BONDHOLDERS**

For the purpose of determining entitlement to payments under the partial redemption of the Convertible Bonds, the register of Bondholders of the Company will be closed on 7th March, 2007 and no transfer of Convertible Bonds can be effected on that day.

In order to qualify for payments under the partial redemption of the Convertible Bonds, all duly completed transfers of Convertible Bonds, accompanied by the relevant certificates for Convertible Bonds, must be lodged for registration with the share registrar of the Company, Computershare Hong Kong Investors Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on Tuesday, 6th March, 2007.

Cheques for the redemption monies, together with accrued interest, are expected to be sent to the Bondholders named on the register of Bondholders of the Company as at 4:30 p.m. (Hong Kong time) on Wednesday, 7th March, 2007, through ordinary post to the addresses specified in the register of Bondholders of the Company, on or before Thursday, 22nd March, 2007.

## **FREE EXCHANGE OF CERTIFICATES FOR CONVERTIBLE BONDS**

The existing certificates for Convertible Bonds will cease to be good for delivery but will continue to be good evidence of legal title to the balance of the principal amount of the Convertible Bonds, i.e. HK\$5 per Convertible Bond, and may be exchanged free of charge for new certificates for Convertible Bonds for the balance of the principal amount of the Convertible Bonds at any time during office hours between Thursday, 8th March, 2007 and Wednesday, 4th April, 2007.

It is expected that the new certificates for Convertible Bonds will be available for collection at the share registrar of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong, within a period of ten business days after submission of the relevant existing certificates for Convertible Bonds.

After Wednesday, 4th April, 2007, existing certificates for Convertible Bonds will be accepted for exchange only on payment of a fee of HK\$2.5 for each new certificate for Convertible Bonds.

The new certificates for Convertible Bonds will be issued in light green colour in order to distinguish them from the existing certificates for Convertible Bonds which are in orange colour.

## **DIRECTORS**

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

### *Executive Directors:*

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

### *Non-executive Directors:*

Mr. Arthur George Dew (*Chairman*), 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

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

Hong Kong, 23rd February, 2007