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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)

Discloseable Transaction

ANNOUNCEMENT

LOAN TRANSACTION

As advised and confirmed by SHKF (an indirect non wholly-owned subsidiary of SHK) that on 9th October, 2009, SHKF as lender entered into the Loan Agreement with the Borrower and the Guarantor, pursuant to which SHKF agreed to make available to the Borrower the Loan for the general working capital of the Borrower. The obligations of the Borrower under the Loan Agreement are secured by the Guarantee pursuant to which the Guarantor provides a guarantee to secure the payment obligations of the Borrower under the Loan Agreement.

As SHKF is an indirect non wholly-owned subsidiary of SHK, which in turn is an indirect non wholly-owned subsidiary of the Company, the Transaction entered into by SHKF shall also be deemed a transaction of each of SHK and the Company under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for the Company on the basis that the relevant Percentage Ratio(s) exceeds 5% but is below 25%. As advised and confirmed by SHK, the Transaction does not constitute a discloseable transaction for SHK on the basis that none of the Percentage Ratio(s) exceeds 5%.

THE LOAN AGREEMENT

Date: 9th October, 2009

Parties: (1) SHKF as the lender
(2) the Borrower
(3) the Guarantor

As advised and confirmed by SHKF, which has made all reasonable enquiry and relied on the confirmation of the Borrower and the Guarantor, and to the best knowledge, information and belief of the Directors, having made all reasonable enquiry, save for the Guarantor, which has confirmed, based on its latest filed substantial shareholder notice, that it holds 6.16% of the shares in the Company, each of the Borrower, the Guarantor and their respective ultimate beneficial owner(s), are independent third parties not connected with SHKF, SHK, the Company and their respective connected persons.

The Loan

As advised and confirmed by SHKF, pursuant to the Loan Agreement, the Lender agreed to make available a loan of up to HK\$150,000,000 to the Borrower for the general working capital of the Borrower at the Interest Rate. Pursuant to the Loan Agreement, the Borrower will pay interest to the Lender on the Loan at the Interest Rate on a monthly basis and the Borrower will repay the Loan to the Lender on 12th October, 2011 or on demand by the Lender.

As advised and confirmed by SHKF, the Interest Rate charged by the Lender on the Loan advanced to the Borrower under the Loan Agreement is arrived at on normal commercial terms with reference to the interest rate charged by the Lender to other customers who are independent third parties.

Security of the Loan

As advised and confirmed by SHKF and pursuant to the Loan Agreement, the Loan is secured by the Guarantee in favour of SHKF, pursuant to which the Guarantor provides a guarantee to secure the payment obligations of the Borrower under the Loan Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by SHKF, the Transaction is carried out as part of the ordinary and usual course of business of SHKF which is a licensed money lender. In view of the fact that the lending of money is within the ordinary and usual course of business of SHKF and the granting of the Loan is secured by the Guarantee, the board of directors of SHKF is of the view that the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable, and the granting of the Loan is in the interest of SHKF taken as a whole.

Based on the information provided and confirmation by the board of directors of SHKF, the Directors have accepted the confirmation and therefore concur with the view of the board of directors of SHKF and consider that the terms of the Loan Agreement are in the interest of the Company and its shareholders taken as a whole.

INFORMATION ABOUT THE COMPANY, SHKF, THE BORROWER AND THE GUARANTOR

The Company

The Company is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange.

The principal business activity of the Company is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, health administration, medical scheme administration, the provision of healthcare services and the provision of financial services.

SHKF

SHKF is a company incorporated in Hong Kong with limited liability. The principal business activities of SHKF are money lending and investment holding. SHKF holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

As at the date of this announcement, SHKF is an indirect non wholly-owned subsidiary of SHK, which in turn is beneficially owned as to approximately 62.32% by the Company.

The Borrower

As advised and confirmed by SHKF, which has made all reasonable enquiry and relied on the confirmation of the Borrower, the Borrower is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Guarantor, and is an independent third party of the Company and its connected persons.

The principal business activity of the Borrower is money lending.

The Guarantor

As advised and confirmed by SHKF, which has made all reasonable enquiry and relied on the confirmation of the Guarantor, the Guarantor is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Guarantor has confirmed, based on its latest filed substantial shareholder notice, that it holds 6.16% of the shares in the Company. Save as aforesaid, the Guarantor is an independent third party of the Company and its connected persons.

The principal business activity of the Guarantor is investment holding.

LISTING RULES IMPLICATIONS

As SHKF is an indirect non wholly-owned subsidiary of SHK, which in turn is an indirect non wholly-owned subsidiary of the Company, the Transaction entered into by SHKF shall also be deemed a transaction of each of SHK and the Company under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for the Company on the basis that the relevant Percentage Ratio(s) exceeds 5% but is below 25%. As advised and confirmed by SHK, the Transaction does not constitute a discloseable transaction for SHK on the basis that none of the Percentage Ratio(s) exceeds 5%.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Borrower”	the borrower under the Loan Agreement;
“Company”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“Directors”	directors of the Company;
“Guarantee”	the guarantee provided by the Guarantor in favour of SHKF to secure the payment obligations of the Borrower under the Loan Agreement;
“Guarantor”	the guarantor under the Loan Agreement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Interest Rate”	the rate of interest to be charged under the Loan Agreement;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Loan”	the loan facility of up to Hong Kong dollars One Hundred Fifty Million (HK\$150,000,000) which SHKF has agreed to make available to the Borrower under the Loan Agreement;
“Loan Agreement”	the loan agreement dated 9th October, 2009 entered into among the Lender, the Borrower and the Guarantor;
“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“SHK”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and an indirect non wholly-owned subsidiary of the Company;
“SHKF” or “Lender”	SHK Finance Limited, a company incorporated in Hong Kong with limited liability, a licensed money lender under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) and an indirect non wholly-owned subsidiary of SHK, being the lender under the Loan Agreement;

“Stock Exchange” The Stock Exchange of Hong Kong Limited;
“Transaction” the transaction contemplated under the Loan Agreement; and
“%” per cent.

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

Hong Kong, 12th October, 2009

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

Executive Directors:

Messrs. Patrick Lee Seng Wei (Chief Executive) and Li Chi Kong

Non-Executive Directors:

Messrs. Arthur George Dew (Chairman), Henry Lai Hin Wing and Steven Lee Siu Chung

Independent Non-Executive Directors:

Messrs. John Douglas Mackie, Steven Samuel Zoellner and Alan Stephen Jones