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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)



天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 28)

JOINT ANNOUNCEMENT

- (1) PROPOSED ACQUISITION BY ALLIED PROPERTIES (H.K.) LIMITED OF INTEREST IN
TIAN AN CHINA INVESTMENTS COMPANY LIMITED
FROM SUN HUNG KAI & CO. LIMITED**
- (2) PROPOSED DISTRIBUTION IN SPECIE BY SUN HUNG KAI & CO. LIMITED**
- (3) MAJOR AND CONNECTED TRANSACTION
FOR SUN HUNG KAI & CO. LIMITED**
- (4) MAJOR TRANSACTION FOR ALLIED GROUP LIMITED**
- (5) DISCLOSEABLE TRANSACTION FOR ALLIED PROPERTIES (H.K.) LIMITED**
- (6) PRICE SENSITIVE INFORMATION FOR TIAN AN CHINA INVESTMENTS COMPANY LIMITED**
- (7) RESUMPTION OF TRADING IN THE SHARES OF
ALLIED GROUP LIMITED,
ALLIED PROPERTIES (H.K.) LIMITED,
SUN HUNG KAI & CO. LIMITED AND
TIAN AN CHINA INVESTMENTS COMPANY LIMITED**

Financial Advisor



禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

INTRODUCTION

On 19th April, 2010, the Purchaser (as purchaser), an indirect wholly-owned subsidiary of APL, and APL (as guarantor to the Purchaser) entered into the Acquisition Agreement with SHK (as vendor) for the acquisition of the Tian An Interest (representing approximately 38.06% of the total issued share capital of Tian An) which represents the entire interest of SHK in Tian An. Upon Completion, (i) SHK will be more focused on its financial services business; (ii) the SHK Independent Shareholders will receive APL Shares pursuant to the Proposed Distribution; and (iii) APL will hold approximately 38.06% equity interest in Tian An directly instead of holding through SHK, its 62.31% owned subsidiary.

THE ACQUISITION AGREEMENT

On 19th April, 2010, the Purchaser, an indirect wholly-owned subsidiary of APL, APL and SHK entered into the Acquisition Agreement pursuant to which, and subject to the Conditions, the Purchaser has agreed, *inter alia*, to acquire, and SHK has agreed, *inter alia*, to sell, the Tian An Interest, being 573,589,096 Tian An Shares, representing approximately 38.06% of the existing total issued share capital of Tian An. APL has agreed to guarantee the performance of the obligations of the Purchaser under the Acquisition Agreement.

The consideration of the Transaction is to be satisfied by the issuance of the SEN to SHK, which will confer the right to call for the issue of 2,293,561,833 fully paid APL Shares. Based on the closing price of APL Shares of HK\$1.66 per APL Share on 16th April, 2010, and 573,589,096 Tian An Shares held by SHK, the Tian An Interest is valued at approximately HK\$3,807.31 million. The consideration for the Transaction represents an exchange ratio of approximately 4 APL Shares for every 1 Tian An Share held by SHK.

FINANCIAL IMPACT

The actual value of the consideration for the Transaction will depend on the market price of APL Shares on the Completion Date, and therefore the financial impact and profit or loss arising from the Transaction on SHK, APL and AGL will only be known on the Completion Date.

PROPOSED DISTRIBUTION IN SPECIE BY SHK

The SHK Board proposes to recommend for approval by the SHK Independent Shareholders at the SHK EGM, that upon Completion, for each SHK Share, 1.309 fully paid APL Shares to be allotted under the SEN, on the basis of 1,752,148,077 SHK Shares issued and outstanding as at the date of this announcement. Assuming that Completion takes place, the Proposed Distribution will take the following form:

Form of Distribution	Amount	Type of Distribution
Final dividend of HK\$0.16 per SHK Share proposed by SHK for the year ended 31st December, 2009	HK\$279.8 million	SEN
Special dividend	Value depends on the market price of each APL Share on the Completion Date	SEN

In the event the Transaction is not approved by the SHK Independent Shareholders at the SHK EGM, the final dividend of SHK may be paid in cash or such other form as the SHK Board thinks fit.

Out of the total of 2,293,561,833 APL Shares falling to be issued under the SEN, APL would have an entitlement of 1,429,277,678 APL Shares (based on their current holding of 1,091,885,163 SHK Shares). Such entitlement will be cancelled upon distribution of the SEN to APL and the APL Shares relating thereto will not be allotted. Accordingly, only up to 864,284,155 APL Shares will be allotted to the SHK Independent Shareholders. The 864,284,155 APL Shares represent approximately 14.19% of the existing issued share capital of APL, and approximately 12.43% of the issued share capital of APL as enlarged by the issue of such APL Shares under the SEN.

MAJOR AND CONNECTED TRANSACTION FOR SHK

The Transaction constitutes a major and connected transaction for SHK under the Listing Rules on the basis that (i) relevant Percentage Ratio(s) in respect of the Transaction is more than 25% but is less than 75% for SHK; and (ii) APL is a controlling shareholder of SHK, and the Purchaser and the SEN Issuer are wholly-owned subsidiaries of APL, and is therefore subject to approval by the SHK Independent Shareholders at the SHK EGM. As APL is considered to have a material interest which is different from other SHK Shareholders so far as the Transaction is concerned, APL and its associates will be required to abstain from voting at the SHK EGM on the resolution(s) approving the Transaction and the Proposed Distribution.

As at the date of this announcement, SHK has four independent non-executive directors, namely Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Mr. Carlisle Caldwell Procter and Mr. Peter Wong Man Kong. Mr. David Craig Bartlett is also an independent non-executive director of AGL, and Mr. Alan Stephen Jones is also an independent non-executive director of APL and AGL, hence they are not considered to be sufficiently independent to be members of the independent board committee of SHK. Accordingly, an independent board committee of SHK, comprising Mr. Carlisle Caldwell Procter and Mr. Peter Wong Man Kong, has been formed to advise the SHK Independent Shareholders on the Transaction and the Proposed Distribution. An independent financial adviser will be appointed to advise the independent board committee of SHK and the SHK Independent Shareholders on the Transaction and the Proposed Distribution.

MAJOR TRANSACTION FOR AGL

The Transaction constitutes a major transaction for AGL under the Listing Rules on the basis that the relevant Percentage Ratio(s) of the Transaction is more than 25% but is less than 100% for AGL.

As no person is required to abstain from voting on the Transaction at the AGL EGM, AGL has obtained a written shareholder's approval from the controlling shareholder of AGL, namely Lee and Lee Trust, which holds 108,626,492 AGL Shares as at the date of this announcement (representing approximately 52.39% of the existing total issued share capital of AGL), for approving the Transaction in lieu of holding the AGL EGM.

DISCLOSEABLE TRANSACTION FOR APL

The Transaction constitutes a discloseable transaction for APL under the Listing Rules on the basis that the relevant Percentage Ratio(s) of the Transaction is more than 5% but is less than 25%. An ordinary resolution will be proposed to the APL Shareholders at the APL EGM to approve the allotment and issue of the APL Shares which would fall to be allotted and issued under the SEN under special mandate.

Mr. Steven Samuel Zoellner is an independent non-executive director of APL and is also a SHK Shareholder holding 49,200 SHK Shares as at the date of this announcement. Assuming the Proposed Distribution is approved and completed, 64,402 APL Shares will be issued to Mr. Steven Samuel Zoellner under the SEN pursuant to the Proposed Distribution. As such, Mr. Steven Samuel Zoellner is considered to have a conflict of interest and has abstained from voting at the board meeting of APL approving the Transaction. As Mr. Steven Samuel Zoellner will only receive APL Shares under the SEN on a pro-rata basis in accordance with the Proposed Distribution, the issuance of APL Shares to Mr. Steven Samuel Zoellner under the SEN is not considered to be a connected transaction. Considering that Mr. Steven Samuel Zoellner has abstained from voting at the board meeting of APL, he will be entitled to vote at the SHK EGM.

PRICE SENSITIVE INFORMATION FOR TIAN AN

The Transaction is price sensitive for Tian An and this announcement is made by Tian An pursuant to Rule 13.09 of the Listing Rules.

Shareholders of AGL, APL, SHK and Tian An and potential investors should note that the Transaction and the Proposed Distribution may or may not proceed as they are subject to a number of conditions, which may or may not be fulfilled. Shareholders of AGL, APL, SHK and Tian An and potential investors are reminded to exercise caution when dealing in the securities of AGL, APL, SHK and Tian An.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.

At the request of AGL, APL, SHK and Tian An, trading in their respective shares on the Stock Exchange has been suspended from 9:30 a.m. on Monday, 19th April, 2010 pending the release of this announcement. Applications have been made by AGL, APL, SHK and Tian An to the Stock Exchange for resumption of trading in the AGL Shares, the APL Shares, the SHK Shares and the Tian An Shares respectively on the Stock Exchange with effect from 9:30 a.m. on Monday, 26th April, 2010.

A. THE ACQUISITION AGREEMENT

On 19th April, 2010, the Purchaser (as purchaser), a wholly-owned subsidiary of APL, and APL (as guarantor to the Purchaser) entered into the Acquisition Agreement with SHK (as vendor) for the acquisition of the Tian An Interest (representing approximately 38.06% of the total issued share capital of Tian An) which represents the entire interest of SHK in Tian An. Upon Completion, (i) SHK will be more focused on its financial services business; (ii) the SHK Independent Shareholders will receive APL Shares pursuant to the Proposed Distribution; and (iii) APL will hold approximately 38.06% equity interest in Tian An directly instead of holding through SHK, its 62.31% owned subsidiary. APL has agreed to guarantee the performance of obligations of the Purchaser under the Acquisition Agreement.

Date

19th April, 2010

Parties

Purchaser:	the Purchaser, an indirect wholly-owned subsidiary of APL
Vendor:	SHK
Guarantor:	APL

The Transaction

Pursuant to the Acquisition Agreement, subject to the Conditions, the Purchaser has agreed, *inter alia*, to acquire, and SHK has agreed, *inter alia*, to sell, the Tian An Interest, being 573,589,096 Tian An Shares, representing approximately 38.06% of the existing total issued share capital of Tian An. APL has agreed to guarantee the performance of the obligations of the Purchaser under the Acquisition Agreement.

Consideration

The consideration of the Transaction is to be satisfied by the issuance of the SEN to SHK, which will confer the right to call for the issue of 2,293,561,833 fully paid APL Shares. Based on the closing price of APL Shares of HK\$1.66 per APL Share on 16th April, 2010, and 573,589,096 Tian An Shares held by SHK, Tian An Interest is valued at approximately HK\$3,807.31 million. The consideration for the Transaction represents an exchange ratio of approximately 4 APL Shares for every 1 Tian An Share held by SHK.

The consideration for the Transaction values the Tian An Interest at approximately HK\$6.64 per Tian An Share, which is determined after arm's length negotiation between the contractual parties after taking into account, *inter alia*, (i) the carrying value of the Tian An Interest in SHK's financial statements less its share of reserves of Tian An as at 31st December, 2009 of approximately HK\$3,804.24 million; (ii) the closing price of the Tian An Shares of HK\$5.10 per Tian An Share on 16th April, 2010; and (iii) the closing price of the APL Shares of HK\$1.66 per APL Share on 16th April, 2010.

Dividends

Holder of APL Shares issued and allotted under the SEN will be entitled to dividends proposed or declared after the Completion. For the avoidance of doubt, the APL Shares (which would fall to be issued and allotted under the SEN) will not be entitled to the final dividend distribution of HK\$0.015 per APL Share, which was proposed by APL Board on 1st April, 2010 for the financial year ended 31st December, 2009.

It is agreed that, prior to Completion, all rights and entitlements to dividends, distributions and return of capital declared, paid or made by Tian An accrued or accruing to the Tian An Interest, including but not limited to the final dividend of HK\$0.07 per Tian An Share proposed by Tian An Board on 19th March, 2010 for the financial year ended 31st December, 2009, shall belong to SHK absolutely.

Completion and Conditions

Completion will take place on the Completion Date, subject to the fulfillment (or waiver, in certain cases as stated below) of the following Conditions:

- (a) the obtaining of all relevant third party consents or approvals by the Purchaser and APL as are necessary for the purpose of the Transaction;

- (b) the obtaining of all relevant third party consents or approvals by SHK and Tian An as are necessary for the purpose of the Transaction;
- (c) the obtaining of the approval by SHK Independent Shareholders in respect of the Acquisition Agreement and the transactions contemplated under the Acquisition Agreement and the Proposed Distribution at the SHK EGM;
- (d) the obtaining of the approval by the APL Shareholders in respect of the Acquisition Agreement and the transactions contemplated under the Acquisition Agreement and the issue of the APL Shares pursuant to the SEN at the APL EGM;
- (e) the obtaining of the approval of the AGL Shareholders in respect of the Acquisition Agreement and the transactions contemplated thereunder at the AGL EGM, or, if permitted by the Listing Rules, by way of written resolution(s) of the AGL Shareholders holding more than 50% in nominal value of the issued share capital of AGL;
- (f) approval being granted or agreed to be granted by the Stock Exchange for the listing of, and permission to deal in, all APL Shares which would fall to be issued pursuant to the SEN on terms and conditions satisfactory to APL and SHK; and
- (g) confirmation and/or waiver pursuant to Note 6 to Rule 26.1 of the Takeovers Code being granted by the Executive to the effect that the consummation of the transactions contemplated under the Acquisition Agreement will not give rise to any general offer obligations by the Purchaser under the Takeovers Code for Tian An Shares (other than those Tian An Shares held by the Purchaser and the parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code.

SHK may at any time waive in writing the Condition set out in (b) (in so far as consents and approvals in respect of SHK are concerned) above either in whole or in part and such waiver may be made subject to such terms and conditions as SHK may require. The Purchaser and APL may at any time waive in writing the Condition set out in (a) above in whole or in part and such waiver may be made subject to such terms and conditions as the Purchaser and/or APL may require. Parties to the Acquisition Agreement may together waive by agreement in writing the Condition set out in (b) (other than in relation to consents and approvals in respect of SHK) above either in whole or in part and such waiver may be made subject to such terms and conditions as they may agree. Condition (g) as set out above cannot be waived.

If any Condition has not been fulfilled or waived on or before 31st July, 2010 (or such later date as is otherwise agreed between the parties in writing), the Acquisition Agreement shall terminate and be of no further effect, and no party shall be entitled to any rights or benefits or be under any obligation under or in respect of the Acquisition Agreement or have any liability to the other party, save in respect of any antecedent breach.

B. TERMS OF THE SEN

Issuer: SEN Issuer
Guarantor: APL

Entitlement

The SEN confers on the holder the Allotment Right. The SEN to be issued to SHK at Completion will carry Allotment Right for 2,293,561,833 APL Shares.

Any APL Shares (to be issued pursuant to the SEN) will be issued and credited as fully paid and rank *pari passu* in all respects among themselves and with all other APL Shares outstanding as at the date of issue and be entitled to all dividends and other distributions on the record date of which falls on a date on or after the date of issue.

Rank for dividend

Holders of APL Shares issued and allotted under the SEN will be entitled to dividends declared after the Completion. For the avoidance of doubt, holders of APL Shares (issued and allotted under the SEN) will not be entitled to the final dividend distribution of HK\$0.015 per APL Share, which was proposed by APL Board on 1st April, 2010 for the financial year ended 31st December, 2009.

Transferability and Exercise

The SEN may be assigned once only under the Proposed Distribution and the Allotment Right thereunder is deemed to be automatically exercised upon such assignment, so that the relevant APL Shares will be automatically issued to the relevant SHK Shareholders. Accordingly, the SHK Shareholders will not receive the SEN, but will receive APL Shares directly, under the Proposed Distribution. However, any SEN assigned to APL or any of its subsidiaries will be automatically cancelled and the Allotment Right thereunder will be automatically extinguished, and therefore they will not receive any APL Shares under the Proposed Distribution. Any APL Shares to be issued pursuant to the SEN will be issued at an issue price which is equal to the closing price of the APL Shares as stated in the Stock Exchange's daily quotation sheets on the Completion Date. The closing price of the APL Shares as stated in the Stock Exchange's daily quotation sheets on 16th April, 2010 (being the last trading day before trading in the APL Shares was suspended pending the release of this announcement) was HK\$1.66 per APL Share.

As the SEN is to be issued to SHK (which is not a connected person of APL) in satisfaction of the consideration payable by APL under the Transaction, any issue of APL Shares pursuant thereto upon distribution of the SEN by SHK to any SHK Shareholder who happens to be a connected person of APL will not constitute a connected transaction under the Listing Rules as the Proposed Distribution is to be made by SHK and there is no transaction between APL and such persons.

Validity period

The SEN remains valid until the Allotment Right is or is deemed to be exercised or cancelled.

Listing

No application will be made for the listing of the SEN. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, any new APL Shares which may be issued pursuant to exercise of the Allotment Right under the SEN.

The issue of the APL Shares under the SEN will be subject to approval by the APL Shareholders at the APL EGM.

C. PROPOSED DISTRIBUTION IN SPECIE BY SHK

The SHK Board proposes to recommend for approval by SHK Independent Shareholders at the SHK EGM, that upon Completion, for each SHK Share, 1.309 fully paid APL Shares be allotted under the SEN, on the basis of 1,752,148,077 SHK Shares issued and outstanding as at the date of this announcement. Assuming that Completion takes place, the Proposed Distribution will take the following form:

Form of Distribution	Amount	Type of Distribution
Final dividend of HK\$0.16 per SHK Share proposed by SHK for the year ended 31st December, 2009	HK\$279.8 million	SEN
Special dividend	Value depends on the market price of each APL Share on the Completion Date	SEN

In the event the Transaction is not approved by the SHK Independent Shareholders at the SHK EGM, the final dividend of SHK may be paid in cash or such other form as the SHK Board thinks fit.

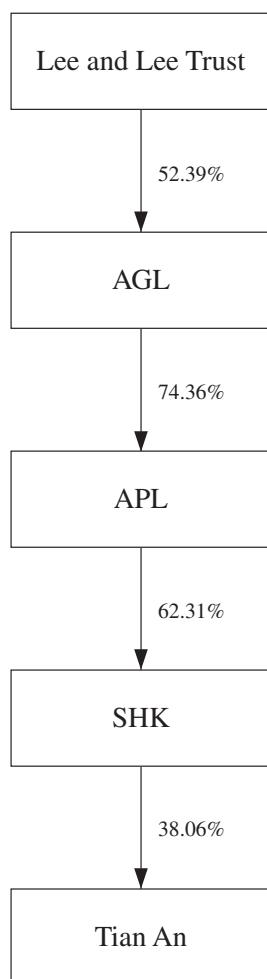
Out of the total of 2,293,561,833 APL Shares falling to be issued under the SEN, APL would have an entitlement of 1,429,277,678 APL Shares (based on their current holding of 1,091,885,163 SHK Shares). Such entitlement will be cancelled upon distribution of the SEN to APL and the APL Shares relating thereto will not be allotted. Accordingly, only up to 864,284,155 APL Shares will be allotted to the SHK Independent Shareholders. The 864,284,155 APL Shares represent approximately 14.19% of the existing issued share capital of APL, and approximately 12.43% of the issued share capital of APL as enlarged by the issue of such APL Shares under the SEN.

Tian An will continue to be equity accounted for in the consolidated accounts of APL following the Completion and there will be no change in the ultimate control of Tian An as a result of the Transaction. Application has been made by APL to the Executive for a waiver to dispense with APL's obligation to make a general offer for the Tian An Shares as a result of the Transaction pursuant to Note 6 to Rule 26.1 of the Takeovers Code.

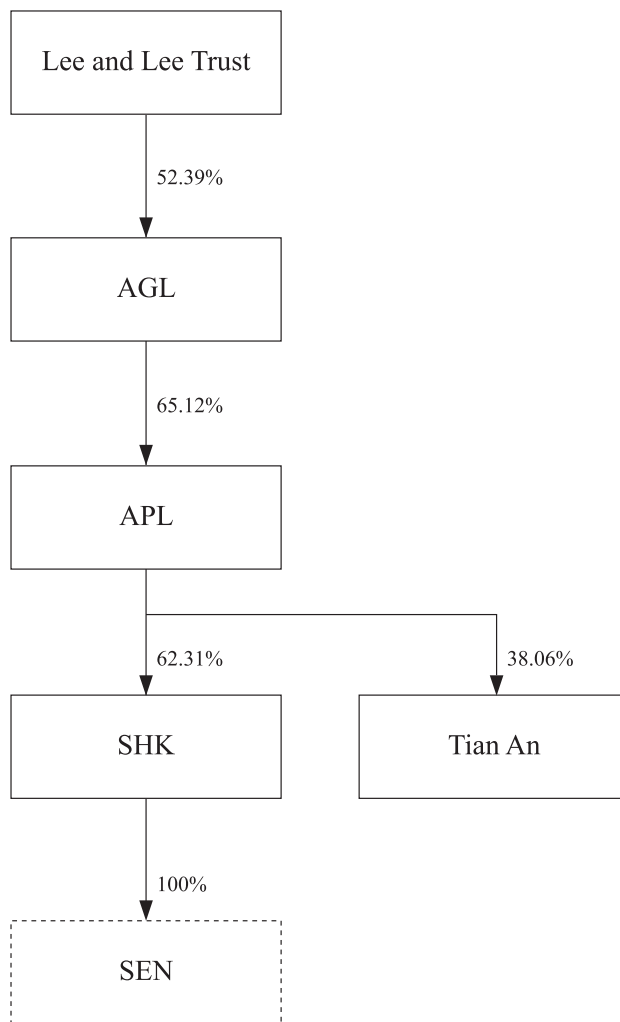
Fractional entitlements to the APL Shares will not be distributed under the Proposed Distribution to the SHK Shareholders, but will be converted into APL Shares and sold in the market for the benefit of SHK. Any APL Shares attributable to entitlements of the Overseas SHK Shareholders (other than fractional entitlements) under the Proposed Distribution will be sold and the proceeds thereof (less expenses) will be paid in cash to them. Further information regarding the entitlements of the Overseas SHK Shareholders will be disclosed in the circular of SHK.

Expected Changes to Shareholding

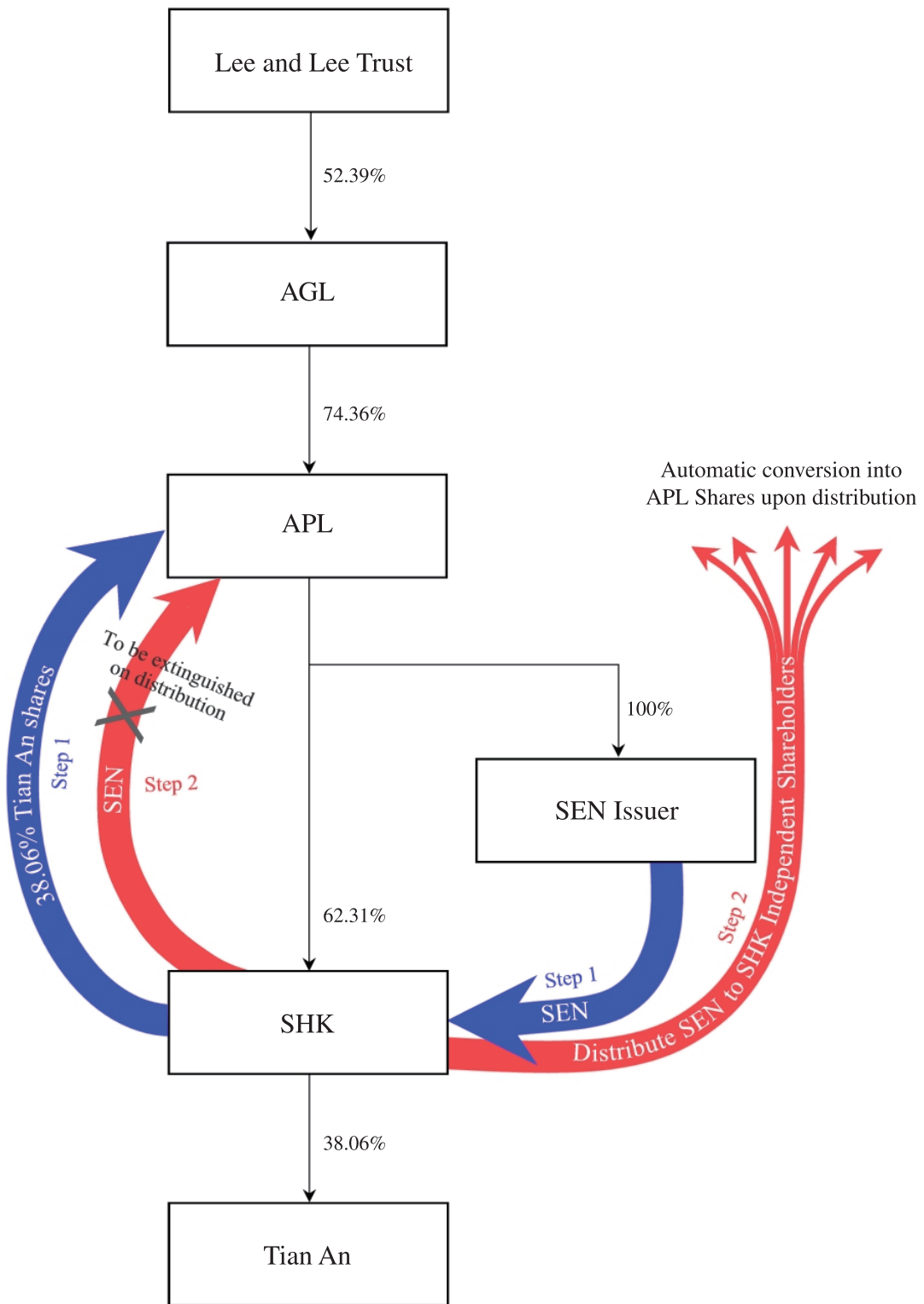
The shareholding structure of AGL, APL, SHK and Tian An as at the date of this announcement is as follows:



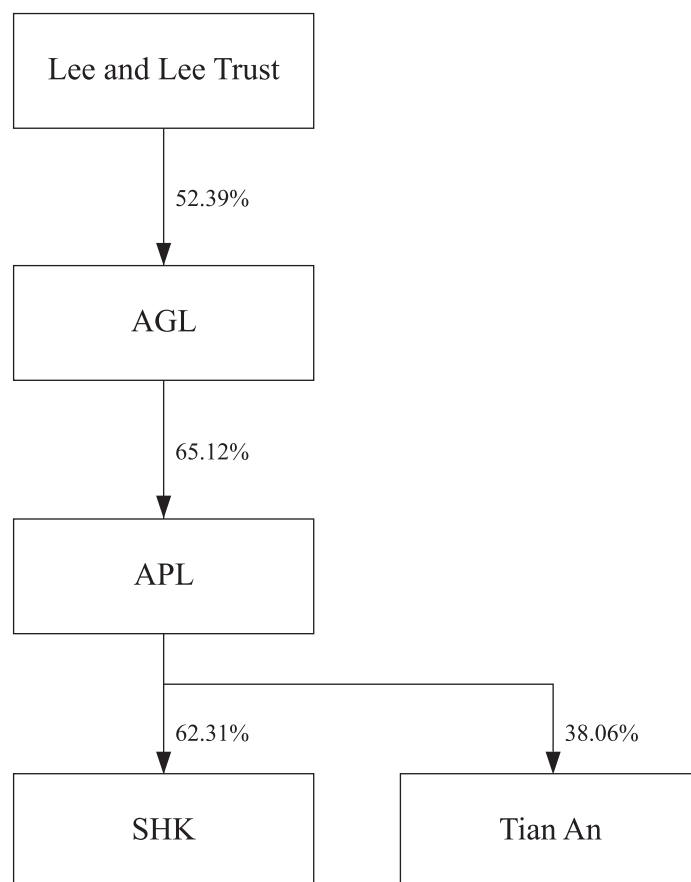
Upon Completion, APL would hold 38.06% interest in Tian An, and SHK would hold the SEN. The shareholding structure of AGL, APL, SHK and Tian An after Completion would be as follows:



The following chart depicts the flow of the Transaction and the Proposed Distribution:



The shareholding of the relevant companies upon Completion of the Transaction and the Proposed Distribution would be as follows:



The changes in interest in the APL Shares are shown below:

<i>Beneficial Shareholders (Note 1)</i>	As at the date of this announcement		Upon distribution to SHK Independent Shareholders and full conversion of SEN	
	<i>APL Shares (Note 1)</i>	<i>%</i>	<i>APL Shares</i>	<i>%</i>
Lee and Lee Trust <i>(Note 2)</i>	4,528,120,310	74.36	4,528,120,310	65.12
John Zwaanstra <i>(Notes 3 & 4)</i>	306,798,000	5.04	531,038,586	7.64
Chong Sok Un	375,082,000	6.16	375,082,000	5.40
Other APL Shareholders	878,832,120	14.44	878,832,120	12.64
SHK Independent Shareholders <i>(Notes 3 & 4)</i>	—	—	640,043,569	9.20
Total	<u>6,088,832,430</u>	<u>100.00</u>	<u>6,953,116,585</u>	<u>100.00</u>

Notes:

1. The shareholding figures used herein are extracted from the latest forms of Disclosure of Interests filed by APL Shareholders pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”) on the website of the Stock Exchange. The APL Shareholders referred to herein are ultimate beneficial owners of relevant APL Shares.
2. The 4,528,120,310 APL Shares are held directly and indirectly by AGL, which is owned as to approximately 15.81% by Cashplus Management Limited, a wholly-owned subsidiary of Zealous Developments Limited (“Zealous”) and approximately 36.58% by Minty Hongkong Limited (“Minty”). Minty and Zealous are wholly-owned by the trustees of Lee and Lee Trust, being a discretionary trust, therefore, Lee and Lee Trust is deemed to have an interest in such APL Shares under Part XV of the SFO.
3. Mr. John Zwaanstra, a SHK Independent Shareholder, has an interest in 171,306,788 SHK Shares. On this basis, Mr. John Zwaanstra will receive 224,240,586 APL Shares to be allotted and issued under the SEN on a pro-rata basis in accordance with the Proposed Distribution. As a result, he would hold a total of 531,038,586 APL Shares upon the Completion.
4. Taking into account the 224,240,586 APL Shares to be allotted and issued under the SEN to Mr. John Zwaanstra as mentioned above, the total number of APL Shares to be allotted and issued under the SEN to the SHK Independent Shareholders will be 864,284,155.

D. FINANCIAL INFORMATION ON TIAN AN

Based on the audited financial statements of Tian An as at 31st December, 2009, the revenue, net profit and net assets of Tian An are as follows:

	For the year ended 31st December	
	2008	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	473,329	1,083,528
Profit before taxation and extraordinary items	689,250	1,367,830
Profit after taxation and extraordinary items	689,307	1,082,993
Net assets	9,847,087	10,884,316

FINANCIAL IMPACT

Following Completion, SHK will remain a listed company and the principal business of the Remaining Group is the provision of financial services.

The actual value of the consideration for the Transaction will depend on the market price of APL Shares on the Completion Date, and therefore the financial impact and profit or loss arising from the Transaction on SHK, APL and AGL will only be known on the Completion Date.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The principal business activity of the Purchaser is investment holding.

The principal business activities of the APL Group are investment holding, broking and finance, consumer finance, healthcare, property rental, hotel operations and management services, and property investments and development.

The principal business activities of the SHK Group are wealth management, brokerage and margin finance, corporate finance, asset management, consumer finance, and provision of strategic investments and properties holding and rental through its interest in Tian An.

The principal business activity of Tian An is investment holding. The Tian An Group is engaged principally in the development of high-end apartments, villas, office buildings and commercial properties, property investment, property management and hotel operation, as well as the manufacture and sale of construction materials in China.

Upon Completion, (i) SHK will be more focused on financial services business; (ii) the SHK Independent Shareholders will receive APL Shares pursuant to the Proposed Distribution; and (iii) APL will hold approximately 38.06% equity interest in Tian An directly, instead of holding through SHK, its 62.31% owned subsidiary.

Reasons for and benefits of the Transaction for SHK

The SHK Board takes the view that SHK should focus on its financial service businesses upon Completion and also believes that the Transaction will enable investors to compare SHK with other financial institutions, and hence would probably enhance value for SHK Shareholders through rerating of SHK Shares as well as through the Proposed Distribution. The SHK Board believes that the current market price of the SHK Shares does not fully reflect the value of its holding of the Tian An Interest due to its existing corporate structure, and the Transaction will unlock value for the SHK Shareholders and allow them to realise part of this value in way of holding the APL Shares through the Proposed Distribution. The SHK Board (excluding the non-executive directors and independent non-executive directors of SHK, who, save for Mr. Alan Stephen Jones and Mr. David Craig Bartlett, will express their opinions on the Acquisition Agreement and the Proposed Distribution after taking into account the advice from the independent financial adviser to be appointed) believes that the terms of the Transaction and the Proposed Distribution are on normal commercial terms and are fair and reasonable and in the interests of SHK and the SHK Shareholders as a whole.

Reasons for and benefits of the Transaction for APL and AGL

The Transaction will enable APL to maintain a more direct holding in Tian An and result in an improved corporate structure for APL by consolidating all property interests in Hong Kong and mainland China under APL. The Transaction will increase APL's effective interest in Tian An from approximately 23.72% to approximately 38.06% of the total issued share capital of Tian An.

The APL Board believes that the terms of the Transaction are fair and reasonable and in the interests of APL and the APL Shareholders as a whole.

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, the provision of medical and healthcare services, the provision of financial services, and investments in listed and unlisted securities. AGL will enjoy similar benefits through its subsidiary, APL.

ISSUE OF SHARES IN THE PRECEDING 12 MONTHS

APL issued the following securities in the past 12 months:

Date (2009)	Issue	Number of Shares issued	Issue price (HK\$)	Total proceeds (HK\$)	Use of proceeds
On or before 10th June	Exercise of warrants	437,396,870	1.00	437,396,870	Working capital

LISTING RULES IMPLICATION

Major and Connected Transaction for SHK

APL is a controlling shareholder of SHK, and the Purchaser and the SEN Issuer are wholly-owned subsidiaries of APL, and are therefore connected persons of SHK. Accordingly, the Transaction constitutes a connected transaction of SHK. As one or more applicable Percentage Ratio(s) in respect of the Transaction is more than 25% but is less than 75%, the Transaction also constitutes a major transaction of SHK. As such, for SHK, the Transaction is subject to the announcement, reporting and independent shareholders' approval requirements of Chapters 14 and 14A of the Listing Rules. Resolution(s) will be proposed at the SHK EGM to approve the Transaction and the Proposed Distribution. As APL is considered to have material interest which is different from other SHK Shareholders so far as the Transaction is concerned, APL and its associates will be required to abstain from voting at the SHK EGM on such resolution(s).

As at the date of this announcement, SHK has four independent non-executive directors, namely Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Mr. Carlisle Caldwell Procter and Mr. Peter Wong Man Kong. Mr. David Craig Bartlett is also an independent non-executive director of AGL, and Mr. Alan Stephen Jones is also an independent non-executive director of APL and AGL, hence they are not considered to be sufficiently independent to be members of the independent board committee of SHK. Accordingly, an independent board committee of SHK, comprising Mr. Carlisle Caldwell Procter and Mr. Peter Wong Man Kong, has been formed to advise the SHK Independent Shareholders on the Transaction and the Proposed Distribution. An independent financial adviser will be appointed to advise the independent board committee of SHK and the SHK Independent Shareholders on the Transaction and the Proposed Distribution.

A circular containing, among other things, further details of the Acquisition Agreement, the Proposed Distribution, the letter of advice from the independent board committee of SHK, the letter of advice from the independent financial adviser to the independent board committee of SHK and the SHK Independent Shareholders and the notice of the SHK EGM, will be despatched to the SHK Shareholders as soon as practicable.

Discloseable Transaction for APL

For APL, as at least one applicable Percentage Ratio(s) in respect of the Transaction is more than 5% but is less than 25%, the Transaction constitutes a discloseable transaction of APL and is subject to the announcement and reporting requirements of Chapter 14 of the Listing Rules. An ordinary resolution will be proposed to APL Shareholders at the APL EGM to approve the allotment and issue of the APL Shares which would fall to be allotted and issued under the SEN under special mandate.

Mr. Steven Samuel Zoellner is an independent non-executive director of APL and is also a SHK Shareholder holding 49,200 SHK Shares as at the date of this announcement. Assuming the Proposed Distribution is approved and completed, 64,402 APL Shares will be issued to Mr. Steven Samuel Zoellner under the SEN pursuant to the Proposed Distribution. As such, Mr. Steven Samuel Zoellner is considered to have a conflict of interest and has abstained from voting at the board meeting of APL approving the Transaction. As Mr. Steven Samuel Zoellner will only receive APL Shares under the SEN on a pro-rata basis in accordance with the Proposed Distribution, the issuance of APL Shares under the SEN is not considered to be a connected transaction. Considering Mr. Steven Samuel Zoellner has abstained from voting at the board meeting of APL, he will be entitled to vote at the SHK EGM.

A circular containing, inter alia, further details of the Acquisition Agreement and a notice of the APL EGM, will be despatched to the APL Shareholders as soon as practicable.

Major Transaction for AGL

As APL is a 74.36% subsidiary of AGL, the Transaction is also considered a transaction for AGL under the Listing Rules. As one or more applicable Percentage Ratio(s) in respect of the Transaction is more than 25% but is less than 100%, the Transaction constitutes a major transaction of AGL. As such, for AGL, the Transaction is subject to the announcement, reporting and shareholders' approval requirements of Chapter 14 of the Listing Rules.

As no person is required to abstain from voting on the Transaction at the AGL EGM, AGL has obtained written shareholder's approval from the controlling shareholder of AGL, namely Lee and Lee Trust, which holds 108,626,492 AGL Shares as at the date of this announcement (representing approximately 52.39% of the existing total issued share capital of AGL), for approving the Transaction in lieu of holding the AGL EGM.

A circular containing, among other things, further details of the Acquisition Agreement, will be despatched to the AGL Shareholders as soon as practicable.

Price Sensitive Information for Tian An

The Transaction is price sensitive for Tian An and this announcement is made by Tian An pursuant to Rule 13.09 of the Listing Rules.

GENERAL

Completion of the Transaction and the Proposed Distribution will not affect the listing of the Tian An Shares on the Stock Exchange.

In addition to the Transaction and the Proposed Distribution, SHK entered into a conditional subscription agreement on 22nd April, 2010 with an independent third party who is not a connected person of SHK in relation to a significant fund raising. An announcement dated 26th April, 2010 for the fund raising is published separately by SHK, APL and AGL.

Shareholders of AGL, APL, SHK and Tian An and potential investors should note that the Transaction and the Proposed Distribution may or may not proceed as they are subject to a number of conditions, which may or may not be fulfilled. Shareholders of AGL, APL, SHK and Tian An and potential investors are reminded to exercise caution when dealing in the securities of AGL, APL, SHK and Tian An.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.

At the request of AGL, APL, SHK and Tian An, trading in their respective shares on the Stock Exchange has been suspended from 9:30 a.m. on Monday, 19th April, 2010 pending the release of this announcement. Applications have been made by AGL, APL, SHK and Tian An to the Stock Exchange for resumption of trading in the AGL Shares, the APL Shares, the SHK Shares and the Tian An Shares respectively on the Stock Exchange with effect from 9:30 a.m. on Monday, 26th April, 2010.

DEFINITIONS

“Acquisition Agreement”	the conditional Acquisition Agreement dated 19th April, 2010 entered into by the Purchaser, APL and SHK in relation to the Transaction
“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 373)
“AGL Board”	the board of directors of AGL
“AGL EGM”	an extraordinary general meeting of AGL
“AGL Share(s)”	share(s) of HK\$2.00 each in the share capital of AGL
“AGL Shareholder(s)”	holder(s) of AGL Share(s)

“Allotment Right”	a right to the holder of the SEN to call for the issue by APL to it of a fixed number of fully paid APL Shares without having to make any payment
“APL”	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 (Stock Code: 56), and a non wholly-owned subsidiary of AGL, and the guarantor under the Acquisition Agreement
“APL Board”	the board of directors of APL
“APL EGM”	an extraordinary general meeting of APL to be convened to approve, <i>inter alia</i> , the issue of the SEN and the issue of the APL Shares falling to be issued under the SEN
“APL Group”	APL and its subsidiaries
“APL Share(s)”	share(s) of HK\$0.20 each in the share capital of APL
“APL Shareholder(s)”	holders of APL Share(s)
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Business Day”	means a day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m.), on which licensed banks are open for general business in Hong Kong
“Completion”	completion of the sale and purchase of the Tian An Interest in accordance with the terms of the Acquisition Agreement
“Completion Date”	the date on which Completion takes place, being 10 Business Days after the fulfillment or waiver of the Conditions, or such other date as may be agreed between the parties to the Acquisition Agreement
“Condition(s)”	the condition(s) precedent to Completion, as more particularly set out under the section headed “Completion and Conditions” of this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Executive”	the Executive Director of the Corporate Finance Division of the SFC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Lee and Lee Trust”	Lee and Lee Trust, a discretionary trust and is beneficially interested in 108,626,492 AGL Shares, representing approximately 52.39% of the issued share capital of AGL as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas SHK Shareholder(s)”	holder(s) of SHK Share(s) whose names appear on the register of members of SHK as holding SHK Shares on the record date for the Proposed Distribution whose address on such register is, on such record date, in a place outside Hong Kong and who the SHK Board, after making enquiries regarding the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place where practical, consider the exclusion of such holder from the distribution of APL Shares under the Proposed Distribution is necessary or expedient
“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
“PRC”	the People’s Republic of China
“Proposed Distribution”	the proposed distribution of the SEN by SHK to the SHK Shareholders, upon Completion, of 1.309 APL Shares (based on 1,752,148,077 SHK Shares in issue) to be allotted under the SEN for each SHK Share
“Purchaser”	China Elite Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the SEN Issuer
“Remaining Group”	the SHK Group other than Tian An Group
“SEN”	the share entitlement note to be issued by the SEN Issuer (and guaranteed by APL) to SHK at Completion, which shall confer the right to call for the issue of a fixed number of fully paid APL Shares, including any share entitlement note resulting from any assignment of such share entitlement note
“SEN Issuer”	Joy Club Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of APL
“SFC”	the Securities and Futures Commission of Hong Kong

“SHK”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 86), and an indirect non wholly-owned subsidiary of each of AGL and APL
“SHK Board”	the board of directors of SHK
“SHK EGM”	an extraordinary general meeting of SHK to be convened to approve, among other matters (if any), the Acquisition Agreement and the Proposed Distribution
“SHK Group”	SHK and its subsidiaries
“SHK Independent Shareholders”	SHK Shareholders other than APL and its associates
“SHK Share(s)”	share(s) of HK\$0.20 each in the share capital of SHK
“SHK Shareholder(s)”	holder(s) of SHK Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Tian An”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 28)
“Tian An Board”	the board of directors of Tian An
“Tian An Group”	Tian An and its subsidiaries
“Tian An Interest”	the 573,589,096 Tian An Shares (representing approximately 38.06% of the total issued share capital of Tian An) being the entire shareholding held and to be sold by SHK to the Purchaser subject to the terms and conditions of the Acquisition Agreement
“Tian An Share(s)”	share(s) of HK\$0.20 each in the share capital of Tian An
“Transaction”	the acquisition by the Purchaser of the Tian An Interest from SHK pursuant to the Acquisition Agreement

“Yu Ming”

Yu Ming Investment Management Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed under the Securities and Futures Ordinance to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management), and financial advisor to APL

By Order of the AGL Board
Allied Group Limited
Edwin Lo King Yau
Executive Director

By Order of the APL Board
Allied Properties (H.K.) Limited
Li Chi Kong
Executive Director

By Order of the SHK Board
Sun Hung Kai & Co. Limited
Joseph Tong Tang
Executive Director

By Order of the Tian An Board
Tian An China Investments Company Limited
Edwin Lo King Yau
Executive Director

Hong Kong, 26th April, 2010

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

Executive Directors:

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

Non-Executive Directors:

Mr. Arthur George Dew (Chairman) and Ms. Lee Su Hwei

Independent Non-Executive Directors:

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

As at the date of this announcement, the directors of APL 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

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

Executive Directors:

Messrs. Lee Seng Huang (Chairman) and Joseph Tong Tang

Non-Executive Directors:

Messrs. Goh Joo Chuan, Fevzi Timucin Engin, Joseph Kamal Eskandar (alternate to Mr. Fevzi Timucin Engin), Patrick Lee Seng Wei and Ming Cheng

Independent Non-Executive Directors:

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

As at the date of this announcement, the directors of Tian An are:

Executive Directors:

Messrs. Hu Aimin (Deputy Chairman), Song Zengbin (Deputy Chairman), Patrick Lee Seng Wei (Managing Director), Ng Qing Hai (Deputy Managing Director), Ma Sun (Deputy Managing Director), Edwin Lo King Yau and Tao Tsan Sang

Non-Executive Directors:

Mr. Lee Seng Hui (Chairman) and Dr. Moses Cheng Mo Chi

Independent Non-Executive Directors:

Messrs. Francis J. Chang Chu Fai, Jin Hui Zhi, Ngai Wah Sang and Ms. Lisa Yang Lai Sum

The directors of AGL jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to AGL and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement by AGL 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 APL jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to AGL, SHK and Tian An) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by AGL, SHK and Tian An) 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 SHK jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to AGL, APL and Tian An) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by AGL, APL and Tian An) 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 Tian An jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to Tian An and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement by Tian An 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.