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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)

Discloseable Transaction



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



新鴻基有限公司

SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 86)

**Discloseable Transaction
and
Connected Transaction**

JOINT ANNOUNCEMENT

- (1) Conditional sale and purchase of the entire issued share capital of Wah Cheong Development (B.V.I.) Limited which holds approximately 51.15% of the issued share capital of Quality HealthCare Asia Limited and**
(2) Resumption of trading

Conditional sale and purchase of the Sale Shares

On 7th May, 2008, SHK as the vendor, Famestep (a direct wholly-owned subsidiary of APL) as the purchaser, and APL as the purchaser's guarantor entered into the Agreement, pursuant to which SHK has conditionally agreed to sell the Sale Shares and assign the Loan, and Famestep has conditionally agreed to purchase the Sale Shares and accept the assignment of the Loan, at an aggregate consideration of HK\$470,690,000.

An initial deposit of HK\$47,069,000 was paid in cash by Famestep to SHK upon the signing of the Agreement. The balance of the aggregate consideration in the sum of HK\$423,621,000 will be settled in cash upon Completion.

Completion is conditional upon fulfilment of a number of conditions, including the granting of the Waiver by the Executive to Famestep.

The transactions contemplated under the Agreement are conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of AGL, APL, SHK and QHA.

The transactions contemplated in the Agreement constitute discloseable transactions for each of AGL, APL and SHK under Rule 14.06(2) of the Listing Rules, on the basis that the calculation of the relevant percentage ratios are within the range of 5% and 25%.

The transactions also constitute a connected transaction for SHK, on the basis that Famestep is a direct wholly-owned subsidiary of APL (which is a substantial shareholder of SHK) and hence a connected person of SHK. Since the calculation of the relevant percentage ratios are more than 2.5% but under 25% and the total consideration is more than HK\$10,000,000, pursuant to Rule 14A.17 of the Listing Rules, the transactions contemplated under the Agreement are subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. APL and its associates will abstain from voting on the resolution for approving the Agreement at the EGM to be held by SHK.

An independent board committee of SHK has been constituted to consider the terms of the Agreement and to make recommendations to its independent shareholders. An independent financial adviser has been appointed to advise the independent board committee of SHK on the fairness and reasonableness of the transactions contemplated in the Agreement.

Since Famestep will be the beneficial owner of the QHA Shares immediately following Completion, Famestep has applied for the Waiver, without which it would be required under the Code to make a mandatory unconditional general offer for all the issued shares of QHA (other than those already owned or agreed to be acquired by Famestep, its holding companies, or parties acting in concert with any one of them) (if any). On 14th May, 2008, the Waiver has been granted by the Executive.

AGL, APL and SHK will each despatch a circular to their respective shareholders as soon as practicable. While the circular to be despatched by AGL and APL will contain, *inter alia*, details of the terms of the Agreement, the circular to be despatched by SHK will contain, *inter alia*, details of the terms of the Agreement, a letter from its independent board committee, a letter from the independent financial adviser and a notice to convene an EGM.

Resumption of Trading

Trading in the securities of AGL, APL and SHK on the Stock Exchange was suspended at their respective requests with effect from 9:30 a.m. on 8th May, 2008, pending the release of this announcement. AGL, APL and SHK have each applied for a resumption of trading in their respective securities with effect from 9:30 a.m. on 15th May, 2008.

THE CONDITIONAL SALE AND PURCHASE OF THE SALE SHARES AND THE ASSIGNMENT OF THE LOAN

On 7th May, 2008, SHK as the vendor, Famestep (a direct wholly-owned subsidiary of APL) as the purchaser and APL as the purchaser's guarantor entered into the Agreement, pursuant to which SHK has conditionally agreed to sell the Sale Shares and assign the Loan, and Famestep has conditionally agreed to purchase the Sale Shares and accept the assignment of the Loan, at an aggregate consideration of HK\$470,690,000.

THE AGREEMENT

Date

7th May, 2008

Parties

- (1) SHK as vendor
- (2) Famestep as purchaser
- (3) APL as purchaser's guarantor

The Sale Shares and the Assignment of the Loan

The Sale Shares represent the entire issued share capital of Wah Cheong as at the date of this announcement.

Wah Cheong is the beneficial owner of the QHA Shares (being 122,213,776 shares of QHA representing approximately 51.15% of the entire issued share capital of QHA). Other than its investment in the QHA Shares, the only asset held by Wah Cheong is the bank balances of approximately HK\$167,000 as at 31st December, 2007 and 7th May, 2008.

The sale and purchase of the Sale Shares are conducted on an ex-dividend basis under the Agreement, pursuant to which SHK is entitled to the Wah Cheong Dividends before Completion.

The Sale Shares and the QHA Shares will be acquired free from any encumbrance as of Completion and there will be no restrictions which apply to the subsequent sale of the Sale Shares.

The Loan will be assigned by SHK to Famestep free from any encumbrance as of Completion.

Consideration

The aggregate consideration for the sale and purchase of the Sale Shares and the assignment of the Loan shall be HK\$470,690,000 (or effectively the equivalent of approximately HK\$3.85 per QHA Share). The aggregate consideration was arrived at after arm's length negotiations between SHK and Famestep, having regard to the carrying values of Wah Cheong and QHA in the consolidated financial statements of SHK as at 31st December, 2007, the actual amount of the Loan owed by Wah Cheong to SHK and the market value of the QHA Shares.

In particular, the consideration for the Sale Shares and the assignment of the Loan are HK\$199,298,555 and HK\$271,391,445 respectively. The consideration for the Sale Shares is determined with reference to the carrying values of Wah Cheong and QHA in the consolidated financial statements of SHK, and represents a disposal at a premium to SHK. The source of funding of APL for the acquisition of the Sale Shares and the assignment of the Loan will be generated from internal resources and borrowings.

The consideration for the assignment of the Loan represents the actual amount of the Loan owed by Wah Cheong to SHK.

In effect, the aggregate consideration represents:

- (i) a premium of approximately 30.51% to the closing price of HK\$2.95 per share of QHA as quoted on the Stock Exchange on the last trading day of the shares of QHA immediately before the date of this announcement;
- (ii) a premium of approximately 29.19% to the average closing price of approximately HK\$2.98 per share of QHA as quoted on the Stock Exchange for the last five trading days of the shares of QHA immediately before the date of this announcement;
- (iii) a premium of approximately 29.63% over the average closing price of approximately HK\$2.97 per share of QHA as quoted on the Stock Exchange for the last ten trading days of the shares of QHA immediately before the date of this announcement; and
- (iv) a premium of approximately 29.63% over the average closing price of approximately HK\$2.97 per share of QHA as quoted on the Stock Exchange for the last one month of the shares of QHA immediately before the date of this announcement.

An initial deposit of HK\$47,069,000 was paid in cash by Famestep to SHK upon the signing of the Agreement. The balance of the aggregate consideration in the sum of HK\$423,621,000 will be settled in cash upon Completion.

Conditions

Completion is conditional upon the fulfillment of a number of conditions, including:

- (i) the Sale Shares, the QHA Shares and the Loan being free from any encumbrance as of Completion;
- (ii) the warranties as contained in the Agreement remaining true and accurate and not misleading in any material respect as given as of the date of the Agreement and as of Completion, and as given at all times between the date of the Agreement and Completion;
- (iii) SHK having complied in full with the obligations under the Agreement and otherwise having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by them under the Agreement on or prior to Completion;
- (iv) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any governmental authority, regulatory body or any other third party necessary or desirable for the consummation of the transactions contemplated in the Agreement having been obtained by SHK and Wah Cheong and remaining in full force and effect;

- (v) the granting of the Waiver by the Executive and such Waiver not having been revoked;
- (vi) no matter, event, circumstance or change having occurred which has caused, causes or is likely to cause any material adverse effect on:
 - (a) the business, operations, prospects or financial condition, or a material portion of the properties or assets, of Wah Cheong or of its subsidiaries including any licensing issues; or
 - (b) the ability of SHK to perform or observe any of its obligations, undertakings or covenants under the Agreement;
- (vii) there being no applicable law which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated in the Agreement;
- (viii) there being no bona fide proceedings in effect, pending or genuinely threatened as of Completion before any court, tribunal or arbitrator of a competent jurisdiction or by any governmental authority which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated in the Agreement;
- (ix) QHA retaining its listed status, with the trading in the shares of QHA not having been suspended from listing, other than for suspensions of a routine nature, including (without limitation) any suspension relating to the transactions and matters contemplated referred to in the Agreement;
- (x) compliance by AGL, APL and SHK with all applicable disclosure and independent shareholders' approval requirements under the Listing Rules, as the case may be;
- (xi) Wah Cheong having paid the Wah Cheong Dividends to SHK; and
- (xii) the Loan being assigned by SHK to Famestep.

SHK will use its best endeavours to procure the fulfillment of all the conditions. If any of the conditions as set out in the Agreement is not fulfilled (or waived by Famestep, except conditions (v), (ix), (x) and (xii) which cannot be waived and except condition (xi) which can only be waived by SHK) on or before 31st July, 2008 (or such later date as may be agreed by SHK and Famestep in writing), no party will be obliged to proceed to Completion, and SHK shall forthwith refund to Famestep the full amount of the deposit previously received by it.

The transactions contemplated under the Agreement are conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of AGL, APL, SHK and QHA.

Completion

Subject to the fulfillment of the conditions set out in the Agreement, Completion will take place on the third business day after the day on which the last of the conditions is fulfilled (or otherwise waived) (or such other date as may be agreed by SHK and Famestep in writing) outside Hong Kong (or at a place agreed by SHK and Famestep in writing).

On Completion, the remaining balance of the consideration in the total sum of HK\$423,621,000 will be paid by Famestep to SHK in cash.

Waiver

Immediately upon Completion, Famestep, its holding companies, and parties acting in concert with any one of them (if any) will be interested in the QHA Shares. Accordingly, Famestep has made an application to the Executive for the Waiver from its obligations under the Code to make a mandatory unconditional general offer for all the issued shares of QHA (other than those already owned or agreed to be acquired by Famestep, its holding companies, or parties acting in concert with any one of them) (if any). On 14th May, 2008, the Waiver has been granted by the Executive.

INFORMATION ABOUT AGL, APL, SHK, WAH CHEONG, FAMESTEP AND QHA

AGL

AGL is a company incorporated in Hong Kong with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

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 and the provision of financial services.

APL

APL is a company incorporated in Hong Kong with limited liability. Its securities are listed on the Main Board of the Stock Exchange.

The principal business activity of APL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities and the provision of financial services.

As at the date of this announcement, APL is beneficially owned as to approximately 73.82% by AGL.

SHK

SHK is a company incorporated in Hong Kong with limited liability. Its securities are listed on the Main Board of the Stock Exchange.

The principal business activity of SHK is investment holding. The principal business activities of its major subsidiaries are wealth management and brokerage, asset management, corporate finance, consumer finance as well as principal investments.

As at the date of this announcement, SHK is beneficially owned as to approximately 58.65% by APL.

Wah Cheong

Wah Cheong is a company incorporated in the B.V.I. with limited liability. It is a direct wholly-owned subsidiary of SHK, and is the beneficial owner of the QHA Shares.

The principal business activity of Wah Cheong is investment holding.

Other than its investment in the QHA Shares, the only asset held by Wah Cheong is the bank balances of approximately HK\$167,000 as at 31st December, 2007 and 7th May, 2008.

Famestep

Famestep is a company incorporated in the B.V.I. with limited liability. It is a direct wholly-owned subsidiary of APL.

The principal business activity of Famestep is investment holding.

QHA

QHA is a company incorporated in Bermuda with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

The principal business activities of QHA are health administration, medical scheme administration and the provision of healthcare services.

As at the date of this announcement, QHA is beneficially owned as to approximately 51.15% by Wah Cheong.

SUMMARY OF FINANCIAL RESULTS OF WAH CHEONG AND QHA

A summary of the audited results of Wah Cheong for the two financial years ended 31st December, 2007 is as follows:

	Year ended 31st December,	
	2006	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5,957	33,150
Profit before tax	15,231	32,913
Profit after tax	15,231	32,913
Profit attributable to the equity holders of Wah Cheong	15,231	32,913

The audited net asset value of Wah Cheong as at 31st December, 2007 was approximately HK\$62,654,000.

A summary of the audited consolidated results of QHA for the two financial years ended 31st December, 2007 is as follows:

	Year ended 31st December,	
	2006	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	893,698	947,701
Profit before tax	78,300	71,593
Profit after tax	65,149	63,233
Profit attributable to the equity holders of QHA	65,149	63,233

The audited consolidated net asset value of QHA as at 31st December, 2007 was approximately HK\$307,412,000.

The accounts summarised above have been prepared in accordance with the HKGAAP.

Prior to Completion, Wah Cheong and QHA are subsidiaries of SHK and in turn subsidiaries of APL and AGL. Upon Completion, SHK will deconsolidate Wah Cheong and QHA. Wah Cheong and QHA shall remain as subsidiaries of APL and AGL upon Completion. Therefore, the results, assets and liabilities of Wah Cheong and QHA, which have already been consolidated by AGL and APL prior to Completion, will continue to be consolidated in the consolidated financial statements of AGL and APL.

REASONS FOR AND BENEFITS OF THE SALE AND PURCHASE OF THE SALE SHARES

The principal business activities of QHA and its subsidiaries are health administration, medical scheme administration and the provision of healthcare services. A plan has been formulated to effect an overall reorganisation of the businesses of the AGL Group. This involves the sale and purchase of the Sale Shares (currently held by SHK), which is intended to consolidate the healthcare services businesses of QHA into APL within the AGL Group.

Over the recent years, SHK has been crystallizing the gain in some parts of its principal investment portfolio to allow redeployment of capital. The disposal of the Sale Shares will realise the capital investment of SHK in QHA.

On the basis that the Sale Shares are disposed of at a premium to the carrying values of Wah Cheong and QHA in the consolidated financial statements of SHK, the SHK Directors expect a gain of approximately HK\$170,897,000 from the disposal, which will be applied as working capital for its core business activities. The gain of approximately HK\$170,897,000 represents the sum of the aggregate consideration and Wah Cheong Dividends less (i) the carrying values of Wah Cheong and QHA in the consolidated financial statements of SHK as at 31st March, 2008; (ii) the Loan; and (iii) estimated expenses on disposal of Wah Cheong.

Since the carrying values of Wah Cheong and QHA in the consolidated financial statements of SHK may change from the date of this announcement to the date of Completion, the gain on disposal of Wah Cheong to be recognised in SHK's consolidated income statement may be different as a result of the change in the carrying values of Wah Cheong and QHA during the period.

In the consolidated financial statements of AGL and APL, the gain on the disposal by SHK will be eliminated against the goodwill arising from the acquisition of Wah Cheong by Famestep. Accordingly, there will be no profit or loss effect attributable to AGL and APL arising from the increase in effective interests in Wah Cheong and QHA by AGL and APL.

APL has previously announced its intention to diversify its investments both geographically and into other industries with the objective of increasing returns to shareholders. The diversification of APL's investments into other industries will, in turn, diversify its sources of income. APL views the acquisition of Wah Cheong which secures the additional interests in QHA as part of its diversification strategy.

The APL Directors have also considered (i) that QHA is a profitable organisation; (ii) the long term benefits to be derived from the QHA Shares; and (iii) the positive cash-flow position of QHA.

The AGL Directors have also considered the facts (i) that the disposal of the QHA Shares will be at a premium to SHK; (ii) that APL is acquiring a profitable organisation; (iii) the long term benefits to APL to be derived from the QHA Shares; and (iv) the positive cash-flow position of QHA.

The consideration for the Sale Shares (i.e. HK\$199,298,555) represents approximately 37% premium over the carrying values of Wah Cheong and QHA in the consolidated financial statements of SHK as at 31st March, 2008, whilst the aggregate consideration represents a premium of approximately 13% over the carrying values of Wah Cheong and QHA in the consolidated financial statements of SHK as at 31st March, 2008 when the Loan (being part of the Agreement) has been taken into consideration in the calculation of the percentage premium to SHK.

As at the date of this announcement, APL is indirectly interested in approximately 58.65% of the issued share capital of SHK which, through its wholly-owned subsidiary, Wah Cheong, indirectly holds approximately 51.15% of the issued share capital of QHA. Immediately following Completion, Famestep, a direct wholly-owned subsidiary of APL, will be directly interested in approximately 51.15% of the issued share capital of QHA. Upon Completion, the effective interest of APL in QHA will increase by approximately 21.15% from approximately 30.00% to approximately 51.15% of the entire issued share capital of QHA.

Upon Completion, the effective interest of AGL in QHA will increase by approximately 15.61% from approximately 22.15% to approximately 37.76% of the entire issued share capital of QHA.

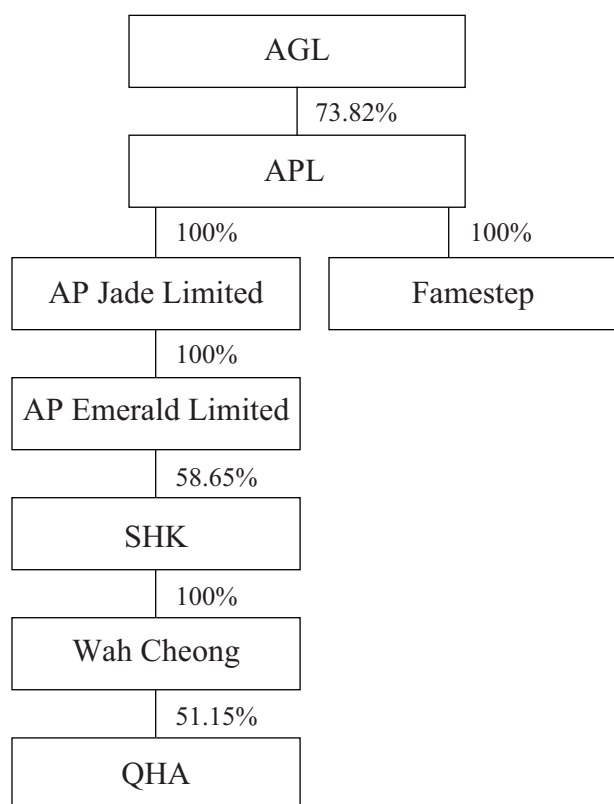
Having regard to the nature of and the benefits resulting from such reorganisation the AGL Directors, APL Directors and the SHK Directors each as separate boards believe that the terms of the transactions contemplated under the Agreement are fair and reasonable and in the interests of the shareholders taken as a whole of each of their respective companies.

Unaudited consolidated net profits attributable to the Sale Shares for the two financial years ended 31st December, 2007 were:

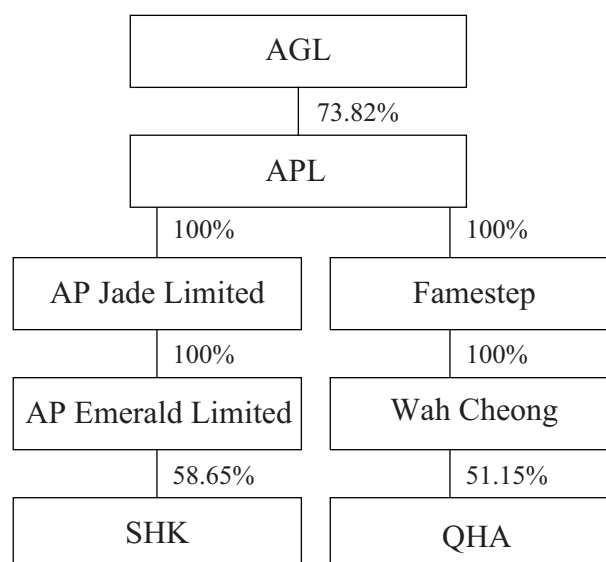
- (i) a profit of approximately HK\$49,592,000 (before taxation) or a profit of approximately HK\$46,717,000 (after taxation) for the financial year ended 31st December, 2006; and
- (ii) a profit of approximately HK\$50,425,000 (before taxation) or a profit of approximately HK\$45,737,000 (after taxation) for the financial year ended 31st December, 2007.

Immediately following Completion, SHK will cease to hold any interests in Wah Cheong and QHA. The change in shareholding structure of the AGL Group as at the date of this announcement and after the Completion is as follows:

As at the date of this announcement:



Immediately following the Completion:



LISTING RULES IMPLICATIONS

The transactions contemplated in the Agreement constitute discloseable transactions for each of AGL, APL and SHK under Rule 14.06(2) of the Listing Rules, on the basis that the calculation of the relevant percentage ratios are within the range of 5% and 25%.

The transactions also constitute a connected transaction for SHK, on the basis that Famestep is a direct wholly-owned subsidiary of APL (which is a substantial shareholder of SHK) and hence a connected person of SHK. Since the calculation of the relevant percentage ratios are more than 2.5% but under 25% and the total consideration is more than HK\$10,000,000, pursuant to Rule 14A.17 of the Listing Rules, the transactions contemplated under the Agreement are subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. APL and its associates will abstain from voting on the resolution for approving the Agreement at the EGM to be held by SHK.

An independent board committee of SHK has been constituted to consider the terms of the Agreement and to make recommendations to its independent shareholders. An independent financial adviser has been appointed to advise the independent board committee of SHK on the fairness and reasonableness of the transactions contemplated in the Agreement.

Since Famestep will be the beneficial owner of the QHA Shares immediately following Completion, Famestep has applied for the Waiver, without which it would be required under the Code to make a mandatory unconditional general offer for all the issued shares of QHA (other than those already owned or agreed to be acquired by Famestep, its holding companies, or parties acting in concert with any one of them) (if any). On 14th May, 2008, the Waiver has been granted by the Executive.

AGL, APL and SHK will each despatch a circular to their respective shareholders as soon as practicable. While the circular to be despatched by AGL and APL will contain, *inter alia*, details of the terms of the Agreement, the circular to be despatched by SHK will contain, *inter alia*, details of the terms of the Agreement, a letter from its independent board committee, a letter from the independent financial adviser and a notice to convene an EGM.

RESUMPTION OF TRADING

Trading in the securities of AGL, APL and SHK on the Stock Exchange was suspended at their respective requests with effect from 9:30 a.m. on 8th May, 2008 pending the release of this announcement. AGL, APL and SHK have each applied for a resumption of trading in their respective securities with effect from 9:30 a.m. on 15th May, 2008.

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:

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

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. 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

SHK Directors

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

Executive Directors:

Mr. Lee Seng Huang (*Chairman*), Mr. Joseph Tong Tang

Non-executive Directors:

Mr. Abdulhakeem Abdulhussain Ali Kamkar, Mr. Amin Rafie Bin Othman (also as alternate to Mr. Abdulhakeem Abdulhussain Ali Kamkar), Mr. Patrick Lee Seng Wei

Independent non-executive Directors:

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

DEFINITIONS

“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
“AGL Directors”	directors of AGL
“AGL Group”	AGL and its subsidiaries
“Agreement”	the sale and purchase agreement dated 7th May, 2008 made between SHK, Famestep and APL, relating to the conditional sale and purchase of the Sale Shares and the assignment of the Loan
“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
“APL Directors”	directors of APL
“associates”	having the meaning ascribed to it under the Listing Rules
“B.V.I.”	British Virgin Islands
“Code”	The Hong Kong Code on Takeovers and Mergers
“Completion”	completion of the sale and purchase of all the Sale Shares and the assignment of the Loan pursuant to the Agreement
“connected person”	having the meaning ascribed to it under the Listing Rules
“EGM”	extraordinary general meeting

“Executive”	The Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director (in each case acting in the capacity of “Executive” under the Code)
“Famestep”	Famestep Investments Limited, a company incorporated in the B.V.I. with limited liability and a direct wholly-owned subsidiary of APL
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKGAAP”	the Hong Kong Generally Accepted Accounting Practice
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the shareholder’s loan in the amount of HK\$271,391,445 due by Wah Cheong to SHK
“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 and a non wholly-owned subsidiary of Wah Cheong
“QHA Dividends”	the dividends of approximately HK\$24,015,007 (being the final dividend of HK5.25 cents and the special dividend of HK14.4 cents per ordinary share of QHA) for the QHA Shares for the year ended 31st December, 2007 to be declared at the annual general meeting of QHA to be held on 4th June, 2008 and payable on 18th June, 2008
“QHA Shares”	122,213,776 shares of HK\$0.10 each representing approximately 51.15% of the entire issued share capital of QHA
“Sale Shares”	2,675,400 Shares representing the entire issued share capital of Wah Cheong
“SFC”	The Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of US\$1.00 each in the issued share capital of Wah Cheong
“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 an indirect non wholly-owned subsidiary of APL
“SHK Directors”	directors of SHK

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	having the meaning ascribed to it under the Listing Rules
“US\$”	United States Dollars
“Wah Cheong”	Wah Cheong Development (B.V.I.) Limited, a company incorporated in the B.V.I. with limited liability, and a direct wholly-owned subsidiary of SHK
“Wah Cheong Dividends”	the dividends to be declared and paid by Wah Cheong to SHK, upon the receipt of the QHA Dividends by Wah Cheong before Completion, the amount being equal to the QHA Dividends
“Waiver”	a waiver from the obligation of Famestep, its holding companies, or parties acting in concert with any one of them (if any) to make a mandatory unconditional general offer for all the issued shares of QHA pursuant to Rule 26 of the Code as a result of the acquisition of the QHA Shares by Famestep through its acquisition of the Sale Shares
“%”	per cent.

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, 14th May, 2008

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.