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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)

PROPOSED BONUS ISSUE OF WARRANTS AND CLOSURE OF REGISTER OF MEMBERS

PROPOSED BONUS WARRANT ISSUE

The Board proposes the Bonus Warrant Issue for the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) existing Shares held on the Record Date. The Warrants will entitle the holders to subscribe for new Shares at an initial subscription price of HK\$2.00 per Share in cash, which may be exercised at any time during a period of five (5) years commencing from the date of first issue of the Warrants, subject to normal capital adjustments.

The Bonus Warrant Issue is conditional upon the Listing Committee granting the listing of, and permission to deal in, the Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants. The commencement of dealings for the Warrants on the Stock Exchange is expected to be on Wednesday, 15th June, 2011.

A circular containing, among other things, details of the Bonus Warrant Issue will be despatched to the Shareholders as soon as practicable, which is expected to be on or about Friday, 6th May, 2011.

PROPOSED BONUS WARRANT ISSUE

Basis of determining the Bonus Warrant Issue

Subject to satisfaction of the condition below, the Board proposes a Bonus Warrant Issue for the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) existing Shares held on the Record Date. The Warrants will entitle the holders to subscribe for new Shares at an initial subscription price of HK\$2.00 per Share in cash, which may be exercised at any time during a period of five (5) years commencing from the date of first issue of the Warrants, subject to normal capital adjustments.

A circular containing, among other things, details of the Bonus Warrant Issue will be despatched to the Shareholders (including Excluded Shareholders, but for their information only subject to compliance with the relevant local laws, regulations and requirements) as soon as practicable, which is expected to be on or about Friday, 6th May, 2011.

Other than the proposed Bonus Warrant Issue, the Company does not have any other equity securities which are convertible into Shares upon the exercise of the subscription rights attaching thereto.

Shares to be issued upon exercise of the Warrants

Based on 6,953,116,585 Shares in issue as at the date of this announcement and assuming no further Shares are issued or repurchased from the date of this announcement up to the Record Date, the total number of Warrants to be issued will be 1,390,623,317 Warrants, entitling the holders thereof to subscribe for 1,390,623,317 Shares representing approximately 20% of the issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the Shares to be issued upon full exercise of the subscription rights attaching to the Warrants.

Subject to the compliance with Rule 15.02(1) of the Listing Rules, the Warrants will be issued pursuant to the general mandate granted to the Directors to issue Shares during the relevant period up to a maximum of 20% of the issued share capital of the Company as at the date of passing the relevant resolution at the annual general meeting of the Company on 18th June, 2010.

As at the date of this announcement and based on the information currently available, the Company confirms that the Shares to be issued upon the exercise of the subscription rights attaching to the Warrants will be in compliance with Rule 15.02(1) of the Listing Rules.

Condition of the Bonus Warrant Issue

The Bonus Warrant Issue is conditional upon the Listing Committee granting the listing of, and permission to deal in, the Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants.

Reasons for the Bonus Warrant Issue

The Board believes that the Bonus Warrant Issue will provide the Shareholders with an opportunity to participate in the future growth and development of the Company and its subsidiaries. The Bonus Warrant Issue will also enlarge the equity base of the Company and increase the working capital of the Company upon exercise of the subscription rights attaching to the Warrants. Therefore, the Board is of the view that the Bonus Warrant Issue is beneficial to the Company and the Shareholders as a whole.

Use of Subscription Proceeds

On the basis of the number of Warrants to be issued being 1,390,623,317 and based on the subscription price of HK\$2.00 per Share, an amount of approximately HK\$2,781,246,634 will be raised upon full exercise of the subscription rights attached to the Warrants. The Company does not presently have any specific plan for the use of the subscription proceeds from the exercise of the Warrants but presently intends to apply any such subscription proceeds for the future business development and general working capital of the Company.

Subscription Price

Each Warrant will entitle the holders to subscribe for one (1) new Share at an initial subscription price of HK\$2.00 per Share in cash, subject to normal capital adjustments.

The exercise price for the Warrants has been determined with reference to the current market price of the Shares. The Directors consider the terms of the Bonus Warrant Issue, including the subscription price thereof, to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Summary Provision for Adjustments to the Subscription Price

The subscription price of the Warrants may from time to time be adjusted if certain events occur, which include, inter alia, the following events:

- (1) any consolidation or sub-division of the Shares are of different nominal amount;
- (2) the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve);
- (3) the Company shall make any capital distribution to holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries;
- (4) the Company shall offer to holders of Shares new Shares for subscription by way of rights, or shall grant to holders of Shares any options or warrants to subscribe for new Shares, at a price per new Share which is less than 90% of the market price;
- (5) the Company or any other company shall issue wholly for cash any securities which are convertible into or exchangeable for or carry rights of subscription for new Shares, at a price per new Share which is less than 90% of the market price;
- (6) the Company shall issue wholly for cash any Shares at a price per Share which is less than 90% of the market price; or
- (7) the Company shall purchase any Shares or securities convertible into Shares or any rights to acquire Shares and the Directors shall cancel such Shares, securities convertible into Shares or rights to acquire Shares.

Subscription Period

The Warrants may be exercised at any time during a period of five (5) years commencing from the date of first issue of the Warrants (currently expected to be on or about Monday, 13th June, 2011) up to 4:00 p.m. (Hong Kong time) on the day before the fifth (5th) anniversary of issue (if that day is not a business day, the business day immediately preceding that day), both days inclusive.

Fractional Entitlements

Fractional entitlements to the Warrants (if any) will not be issued but will be aggregated and sold for the benefit of the Company.

Overseas Shareholders

The Bonus Warrant Issue will not be registered or filed under any securities legislation in any jurisdiction outside Hong Kong. The Company will make appropriate enquiries pursuant to Rule 13.36(2) of the Listing Rules to determine whether the Overseas Shareholders will be entitled to the Bonus Warrant Issue. If the Board is of the view that the grant or issue of the Warrants to the Overseas Shareholders would or might, in the absence of compliance with registration or other special formalities in other territories, be unlawful or impracticable, no grant or issue of the Warrants will be made to the Overseas Shareholders.

Further details of the rights of the Overseas Shareholders will be set out in the circular relating to the Bonus Warrant Issue to be despatched to the Shareholders.

Ranking of Shares to be issued upon exercise of the Warrants

Shares which are allotted and issued upon the exercise of the subscription rights attaching to the Warrants will rank *pari passu* in all respects with the Shares in issue on the date of such allotment and issue.

Application for Listing

An application will be made to the Listing Committee for the listing of, and permission to deal in, the Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants. No part of the equity or debt securities of the Company is listed on or dealt in on any other stock exchange and no such listing of or permission to deal in is being or is proposed to be sought.

Application will also be made to HKSCC for the admission of the Warrants into the Central Clearance and Settlement System operated by HKSCC.

Board Lot of Warrants and Shares

The proposed board lot for trading in the Warrants is 10,000 and the board lot for trading in the Shares is 2,000.

Warrant Certificates

Subject to the conditions of the Bonus Warrant Issue being satisfied, certificates for the Warrants are expected to be despatched to the Qualifying Shareholders by post at the risks of the Qualifying Shareholders on or before Monday, 13th June, 2011.

RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 27th May, 2011 to Wednesday, 1st June, 2011 (both days inclusive) in order to determine entitlements of the Qualifying Shareholders to the Bonus Warrant Issue, during which period no transfer of Shares will be registered.

Shareholders are reminded that in order to qualify for the Bonus Warrant Issue, all transfer forms accompanied by the relevant share certificate(s) must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 26th May, 2011.

It is expected that the last day for trading in Shares cum-entitlements to the Bonus Warrant Issue would be Tuesday, 24th May, 2011 and the first day for trading in Shares ex-entitlements to the Bonus Warrant Issue would be Wednesday, 25th May, 2011.

Reference is made to the announcement of the Company dated 30th March, 2011 whereby the register of members of the Company will be closed from Friday, 27th May, 2011 to Wednesday, 1st June, 2011 (both days inclusive) in order to determine entitlements to a final dividend for the year ended 31st December, 2010 (the "Final Dividend"). As such, for the avoidance of doubt, the register of members of the Company will be closed from Friday, 27th May, 2011 to Wednesday, 1st June, 2011 for the determination of entitlements to both the Bonus Warrant Issue and the Final Dividend.

EXPECTED TIMETABLE

2011

Despatch of circular containing details of the Bonus Warrant Issue	Friday, 6th May
Last day of dealings in Shares cum-entitlements to the Bonus Warrant Issue	Tuesday, 24th May
First day of dealings in Shares ex-entitlements to the Bonus Warrant Issue	Wednesday, 25th May
Latest time for lodging transfers of Shares for entitlements to the Bonus Warrant Issue	4:30 p.m. on Thursday, 26th May
Closure of register of members of the Company	Friday, 27th May to Wednesday, 1st June (both days inclusive)
Record Date	Wednesday, 1st June
Despatch of the Warrant certificates on or before	Monday, 13th June
Commencement of dealings of the Warrants on the Stock Exchange	Wednesday, 15th June

Note: All times and dates stated above refer to Hong Kong local time.

DEFINITIONS

In this announcement, unless the context states otherwise, the following expressions shall have the following meanings:

“Board”	the board of Directors;
“Bonus Warrant Issue”	bonus issue of Warrant(s) by the Company to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date, on the basis of one (1) Warrant for every five (5) Shares held on the Record Date;
“Company”	Allied Properties (H.K.) 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;
“Director(s)”	the director(s) of the Company;
“Excluded Shareholder(s)”	the Overseas Shareholder(s) to whom the Directors, having made enquiries regarding the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction, consider it necessary or expedient not to offer the Warrants on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) as shown on the register of members of the Company at the close of business on the Record Date is/are outside Hong Kong;
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders;
“Record Date”	Wednesday, 1st June, 2011, being the record date by reference to which entitlements to the Warrants are determined;

“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Warrant(s)”	warrant(s) to be constituted by an instrument by way of deed poll to be executed by the Company and to be issued by the Company under the Bonus Warrant Issue entitling the holders to subscribe for Shares at an initial subscription price of HK\$2.00 per Share (subject to normal capital adjustments); and
“%”	per cent.

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

Hong Kong, 7th April, 2011

As at the date of this announcement, the Board comprises Messrs. Lee Seng Hui (Chief Executive), Li Chi Kong and Mark Wong Tai Chun being the Executive Directors; Mr. Arthur George Dew (Chairman) being the Non-Executive Director; and Messrs. John Douglas Mackie, Steven Samuel Zoellner and Alan Stephen Jones being the Independent Non-Executive Directors.