
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Allied Properties (H.K.) Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser(s) or transferee(s).

The Stock Exchange of Hong Kong Limited and Hong Kong Exchanges and Clearing Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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

**PROPOSED ACQUISITION OF INTEREST IN
TIAN AN CHINA INVESTMENTS COMPANY LIMITED
FROM SUN HUNG KAI & CO. LIMITED INVOLVING
ISSUE OF NEW SHARES UNDER THE SHARE ENTITLEMENT NOTE
UNDER SPECIAL MANDATE**

NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial Adviser



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

A letter from the board of directors of the Company is set out on pages 5 to 18 of this circular.

A notice convening an extraordinary general meeting of the Company (the “EGM”) to be held at Plazas 1 and 2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 18th June, 2010 at 11:30 a.m. is set out on pages 26 and 27 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as practicable, but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Such form of proxy for use at the EGM is also published on the HKExnews website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.alliedproperties.com.hk). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or at any adjournment thereof should you so wish.

24th May, 2010

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Appendix — General information	19
Notice of EGM	26

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition Agreement”	the conditional Acquisition Agreement dated 19th April, 2010 entered into by the Purchaser, the Company 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 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 the Company to it of a fixed number of fully paid Shares without having to make any payment
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	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
“Company”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 56) and a non wholly-owned subsidiary of AGL, and the guarantor under the Acquisition Agreement
“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
“Conditions”	the conditions precedent to Completion, as more particularly set out under the section headed “Completion and Conditions of the Transaction” of this circular

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened on Friday, 18th June, 2010 at 11:30 a.m. for the purpose of considering and, if thought fit, approving, <i>inter alia</i> , the Transaction, the issue of the SEN and the issue of the Shares falling to be issued under the SEN by the Shareholders, notice of which is set out on pages 26 and 27 of this circular
“Executive”	the Executive Director of the Corporate Finance Division of the SFC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Joint Announcement”	the announcement jointly issued by the Company, AGL, SHK and Tian An in relation to the Transaction and the Proposed Distribution dated 26th April, 2010
“Latest Practicable Date”	17th May, 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained therein
“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 Latest Practicable Date
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the Main Board of 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 practicable, considers the exclusion of such holder from the distribution of the Shares under the Proposed Distribution is necessary or expedient

DEFINITIONS

“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 (for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region and Taiwan)
“Proposed Distribution”	the proposed distribution of the SEN by SHK to the SHK Shareholders, upon Completion, of 1.309 Shares (based on 1,752,148,077 SHK Shares in issue as at the Latest Practicable Date) 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 the Tian An Group
“SEN”	the share entitlement note to be issued by the SEN Issuer (and guaranteed by the Company) to SHK at Completion, which shall confer the right to call for the issue of a fixed number of fully paid 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 the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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 the Company and AGL
“SHK Board”	the board of directors of SHK

DEFINITIONS

“SHK EGM”	an extraordinary general meeting of SHK to be convened to approve, among other matters, the Acquisition Agreement and transactions contemplated thereunder including the Proposed Distribution
“SHK Group”	SHK and its subsidiaries
“SHK Independent Shareholder(s)”	SHK Shareholder(s) other than the Company 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
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Patrick Lee Seng Wei (*Chief Executive*)

Li Chi Kong

Non-Executive Directors:

Arthur George Dew (*Chairman*)

Henry Lai Hin Wing

Steven Lee Siu Chung

Independent Non-Executive Directors:

John Douglas Mackie

Steven Samuel Zoellner

Alan Stephen Jones

Registered Office:

22nd Floor

Allied Kajima Building

138 Gloucester Road

Wanchai, Hong Kong

24th May, 2010

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

**PROPOSED ACQUISITION OF INTEREST IN
TIAN AN CHINA INVESTMENTS COMPANY LIMITED
FROM SUN HUNG KAI & CO. LIMITED INVOLVING
ISSUE OF NEW SHARES UNDER THE SHARE ENTITLEMENT NOTE
UNDER SPECIAL MANDATE**

INTRODUCTION

Reference is made to the Joint Announcement in which the Company, AGL, SHK and Tian An jointly announced that on 19th April, 2010, the Purchaser (as purchaser), an indirect wholly-owned subsidiary of the Company, and the Company (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) being the entire interest held by SHK

LETTER FROM THE BOARD

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

The purpose of this circular is to provide the Shareholders with further details on (i) the Transaction; (ii) the proposed issue of SEN and the proposed issue and allotment of the Shares pursuant to the exercise of the SEN; and (iii) a notice of the EGM setting out resolution for your approval on the Transaction, the issue of SEN and the issue and allotment of the Shares pursuant to the SEN under special mandate.

A. THE ACQUISITION AGREEMENT

Date

19th April, 2010

Parties

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

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. The Company 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 Shares. Based on the closing price of HK\$1.66 per Share on 16th April, 2010 (the last trading day prior to the date of the Acquisition Agreement), 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 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 HK\$1.66 per Share on 16th April, 2010.

LETTER FROM THE BOARD

The premium of the consideration for the Transaction is determined and agreed upon by the contractual parties based on the ratio of approximate 4 Shares over 1 Tian An Share when comparing both their respective market value and audited consolidated net asset value as at 31st December, 2009 as follows:

	For Every Four Shares	For Every Tian An Share	Premium
Market value as at 16th April, 2010	HK\$6.64	HK\$5.10	30.2%
Audited consolidated net asset value as at 31st December, 2009	HK\$8.32	HK\$7.22	15.2%

The Board is optimistic about the long term prospects of the PRC property market, and considers a premium as necessary to be attractive enough for the SHK Independent Shareholders to vote for the Transaction at the SHK EGM, where the Company and its associates will have to abstain from voting.

However, the actual value of the consideration for the Transaction, being 2,293,561,833 fully paid Shares to be issued under the SEN, will depend on the market price of Shares on the Completion Date, and may or may not represent a premium to the value of the Tian An Shares as at the Completion Date. Based on the above, the Directors are of the view that the consideration for the Transaction is fair and reasonable.

Dividends

Holders of Shares issued and allotted under the SEN will be entitled to dividends proposed or declared after Completion. For the avoidance of doubt, holders of the 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 Share, which was proposed by the 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 of the Transaction

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 the Company 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;

LETTER FROM THE BOARD

- (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 Shareholders in respect of the Acquisition Agreement and the transactions contemplated under the Acquisition Agreement and the issue of the Shares pursuant to the SEN at the 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 Shares which would fall to be issued pursuant to the SEN on terms and conditions satisfactory to the Company 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 the Company 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 the Company 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. As at the Latest Practicable Date, conditions (e) and (g) have been fulfilled.

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.

LETTER FROM THE BOARD

B. TERMS OF THE SEN

Issuer: SEN Issuer
Guarantor: the Company

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 Shares.

Any 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 Shares outstanding as at the date of issue and be entitled to all dividends and other distributions the record date of which falls on a date on or after the date of issue.

Rank for dividend

Holders of Shares issued and allotted under the SEN will be entitled to dividends declared after Completion. For the avoidance of doubt, holders of Shares (issued and allotted under the SEN) will not be entitled to the final dividend distribution of HK\$0.015 per Share, which was proposed by the 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 Shares will be automatically issued to the relevant SHK Shareholders. Accordingly, the SHK Shareholders will not receive the SEN, but will receive Shares directly, under the Proposed Distribution. However, any SEN assigned to the Company 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 Shares under the Proposed Distribution. Any Shares to be issued pursuant to the SEN will be issued at an issue price which is equal to the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the Completion Date. For reference, the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on 16th April, 2010 (the last trading day prior to the date of the Acquisition Agreement) was HK\$1.66 per Share.

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

LETTER FROM THE BOARD

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

Subsequent Sale Restriction

Save for any restrictions on the subsequent sale of the Shares (which are to be issued and allotted under the SEN) which may be imposed on an Overseas SHK Shareholder under any laws and/or regulations of the relevant overseas jurisdiction, there are no restrictions on the subsequent sale of the Shares (which are to be issued and allotted under the SEN). Such Overseas SHK Shareholders are advised to seek independent legal advice on any applicable restriction which may be imposed on the subsequent sale of the Shares (which are to be issued and allotted under the SEN).

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 Shares be allotted under the SEN, on the basis of 1,752,148,077 SHK Shares issued and outstanding as at the Latest Practicable Date. 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 (<i>Note</i>)	Approximately HK\$280 million	SEN
Special dividend	Value depends on the market price of each Share on the Completion Date	SEN

Note: The proposed final dividend has been calculated with reference to the number of SHK Shares in issue as at 29th March, 2010 (HK\$0.16 × 1,752,148,077 issued SHK Shares at 29th March, 2010 = approximately HK\$280 million).

A resolution will be proposed at the SHK EGM to approve the Acquisition Agreement and the transactions contemplated thereunder including the Proposed Distribution. In the event that the Transaction is not approved by the SHK Independent Shareholders at the SHK EGM, or if the Transaction has been approved at the SHK EGM but Completion does not take place, the final dividend of SHK of HK\$0.16 per SHK Share may be paid in cash with a scrip alternative whereby SHK Shareholders may elect to receive the final dividend wholly or partly by the allotment of new SHK Shares in lieu of cash, in which case further details will be announced by SHK. Further, if such resolution is not passed at the SHK EGM, approval will be sought by the SHK Board from the SHK Shareholders for the declaration of the final dividend of SHK at the annual general meeting to be convened by SHK after the SHK EGM.

Out of the total of 2,293,561,833 Shares falling to be issued under the SEN, the Company or its subsidiaries would have an entitlement of 1,429,277,678 Shares, representing approximately 23.47% of the total issued share capital of the Company (based on its current holding of 1,091,885,163 SHK Shares). Such entitlement will be cancelled upon distribution of the SEN to the Company or its

LETTER FROM THE BOARD

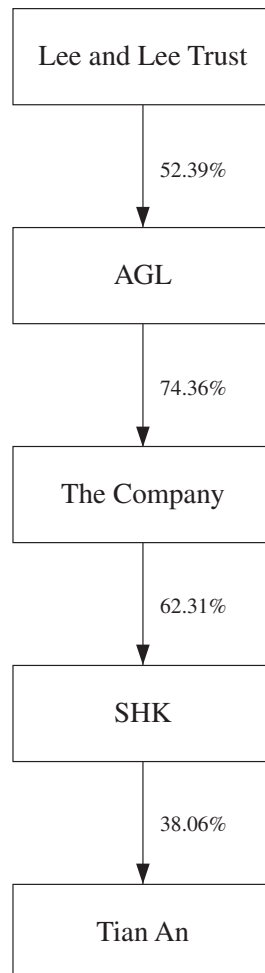
subsidiaries and the Shares relating thereto will not be allotted. Accordingly, only up to 864,284,155 Shares will be allotted to the SHK Independent Shareholders. The 864,284,155 Shares represent approximately 14.19% of the existing issued share capital of the Company, and approximately 12.43% of the issued share capital of the Company as enlarged by the issue of such Shares under the SEN.

Tian An will continue to be equity accounted for in the consolidated financial statements of the Company following the Completion and there will be no change in the ultimate control of Tian An as a result of the Transaction. The Executive has granted a waiver to dispense with the Company'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 Shares will not be distributed under the Proposed Distribution to the SHK Shareholders, but will be converted into Shares and sold in the market for the benefit of SHK. Further information regarding the entitlements of the Overseas SHK Shareholders will be disclosed in the circular of SHK dated 24th May, 2010.

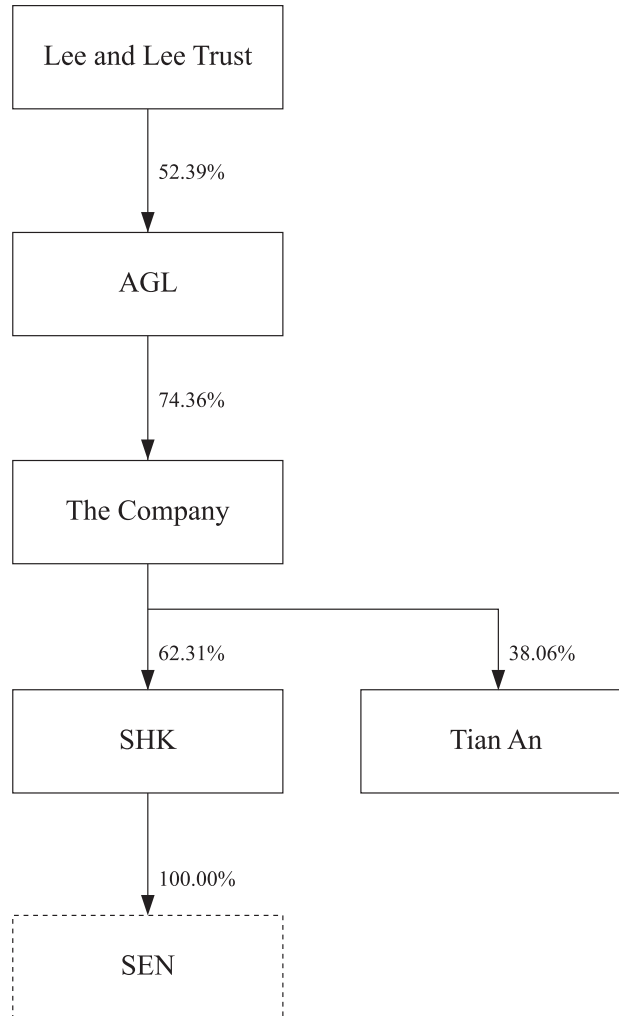
Expected Changes to Shareholding

The shareholding structure of the Company, AGL, SHK and Tian An as at the Latest Practicable Date is as follows:



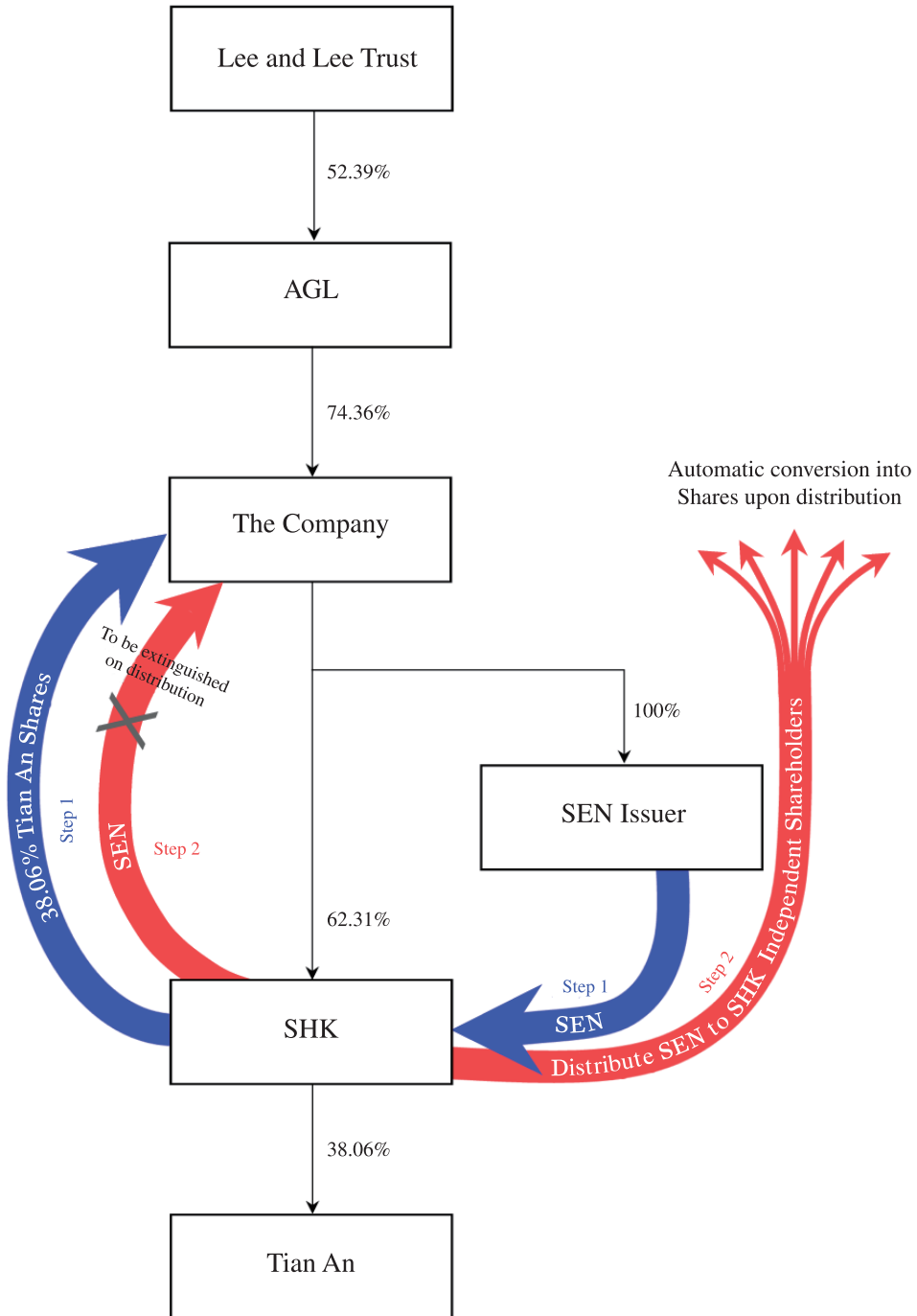
LETTER FROM THE BOARD

Upon Completion but before the Proposed Distribution, the Company would hold approximately 38.06% interest in Tian An, and SHK would hold the SEN. The shareholding structure of the Company, AGL, SHK and Tian An upon Completion but before the Proposed Distribution would be as follows:



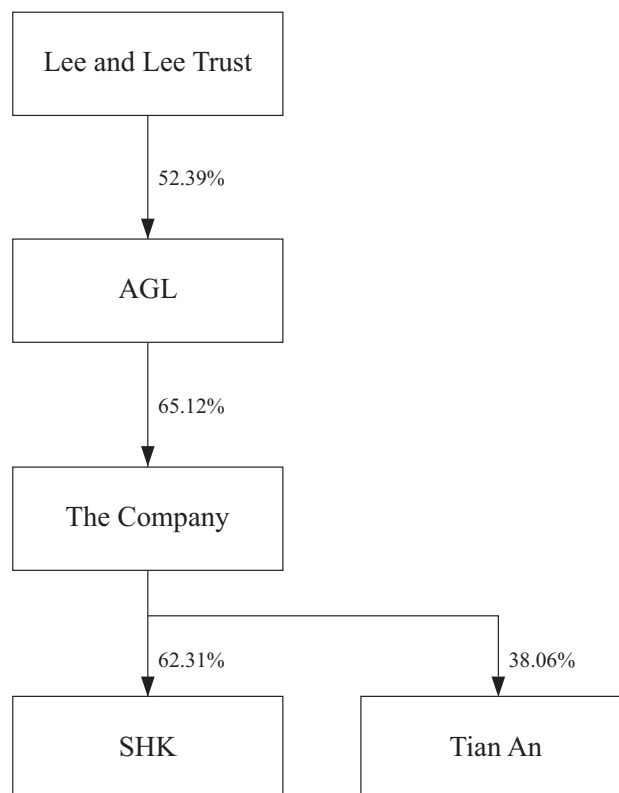
LETTER FROM THE BOARD

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



LETTER FROM THE BOARD

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



For illustration purpose, the changes in interest in the Shares are shown below:

Beneficial Shareholders <i>(Note 1)</i>	As at the Latest Practicable Date		Upon distribution to SHK Independent Shareholders and full conversion of SEN	
	<i>Shares</i> <i>(Note 1)</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Lee and Lee Trust <i>(Note 2)</i>	4,528,120,310	74.36	4,528,120,310	65.12
Penta Investment Advisers Limited <i>(Note 3, 4 and 5)</i>	306,798,000	5.04	512,937,733	7.38
Ms. Chong Sok Un <i>(Note 5)</i>	375,082,000	6.16	375,082,000	5.40
Mr. Patrick Lee Seng Wei <i>(Note 6)</i>	2,700,000	0.04	2,700,000	0.04
Public Shareholders	876,132,120	14.40	876,132,120	12.60
SHK Independent Shareholders <i>(Note 3 & 4)</i>	—	—	658,144,422	9.46
Total	<u>6,088,832,430</u>	<u>100.00</u>	<u>6,953,116,585</u>	<u>100.00</u>

LETTER FROM THE BOARD

Notes:

1. The shareholding figures used herein are extracted from the latest forms of Disclosure of Interests filed by Shareholders pursuant to Part XV of the SFO on the website of the Stock Exchange. The Shareholders referred to herein are ultimate beneficial owners of relevant Shares.
2. The 4,528,120,310 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 Shares under Part XV of the SFO.
3. Penta Investment Advisers Limited, a SHK Independent Shareholder, has an interest in 157,478,788 SHK Shares which represents approximately 8.99% of the total issued share capital of SHK. On this basis, Penta Investment Advisers Limited will receive 206,139,733 Shares to be allotted and issued under the SEN on a pro-rata basis in accordance with the Proposed Distribution. As a result, assuming its interest remains unchanged on the record date for the Proposed Distribution, Penta Investment Advisers Limited would hold 512,937,733 Shares upon Completion.
4. Taking into account the 206,139,733 Shares to be allotted and issued under the SEN to Penta Investment Advisers Limited as mentioned above, the total number of Shares to be allotted and issued under the SEN to the SHK Independent Shareholders will be 864,284,155 Shares.
5. Save as disclosed herein, neither Penta Investment Advisers Limited, Ms. Chong Sok Un nor their respective associates have any other relationship with and are connected persons of the Company.
6. Mr. Patrick Lee Seng Wei is the Chief Executive and an Executive Director of the Company.
7. The public float of the Company as at the Latest Practicable Date is and after completion of the Transaction and the Proposed Distribution is expected to be approximately 25.6% and 34.8% respectively.

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 OF THE TRANSACTION

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 Shares on the Completion Date, and therefore the financial impact and profit or loss arising from the Transaction on the Company will only be known on the Completion Date.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE TRANSACTION

The principal business activity of the Purchaser is investment holding.

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

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 Shares pursuant to the Proposed Distribution; and (iii) the Company 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 the Company

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

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

ISSUE OF SHARES IN THE PRECEDING 12 MONTHS

The Company 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	For general working capital and to reduce the indebtedness of the Company in general as intended

LETTER FROM THE BOARD

LISTING RULES IMPLICATION

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 the Company and is subject to the announcement and reporting requirements of Chapter 14 of the Listing Rules. An ordinary resolution will be proposed to Shareholders at the EGM to approve the Transaction, the issue of the SEN and the allotment and issue of the 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 and is also a SHK Shareholder holding 49,200 SHK Shares, representing approximately 0.00% of the total issued share capital of SHK, as at the Latest Practicable Date. Assuming the Proposed Distribution is approved and completed, 64,402 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 the Company approving the Transaction. Considering Mr. Steven Samuel Zoellner has abstained from voting at the board meeting of the Company, he will be entitled to vote at the SHK EGM.

As the SEN is to be issued to SHK (which is not a connected person of the Company and AGL) in satisfaction of the consideration payable by the Company under the Transaction, any issue and allotment of Shares pursuant thereto upon distribution of the SEN by SHK to any SHK Shareholder who happens to be a connected person of the Company and/or AGL will not constitute a connected transaction for the Company and/or AGL as the Proposed Distribution is to be made by SHK to SHK Shareholders as pro-rata entitlement to the Shares in their capacity as SHK Shareholders and there is no transaction between the Company and/or AGL and such SHK Shareholders.

Mr. Mak Pak Hung, an executive director of AGL, holds 5,000 SHK Shares as beneficiary of trust under the Employee Ownership Scheme of SHK as at the Latest Practicable Date. Save for Mr. Steven Samuel Zoellner and Mr. Mak Pak Hung, there is no SHK Shareholder, who is a connected person of the Company and/or AGL as at the Latest Practicable Date. The issue and allotment of the Shares under the SEN to Mr. Mak Pak Hung and Mr. Steven Samuel Zoellner will not constitute connected transactions for the Company and/or AGL as they will only receive the Shares as pro-rata entitlement to the Shares in their capacity as SHK Shareholders.

As no Shareholder has a material interest in the Transaction including the issue of the Shares under the SEN, no Shareholder will be required to abstain from voting at the EGM.

RECOMMENDATION

The Board considers that the terms and conditions of the Acquisition Agreement are fair and reasonable and in the interests of the Shareholders and the Company as a whole and recommend the Shareholders to vote for the resolution to be proposed at the EGM approving the Transaction, the issue of the SEN and the allotment and issue of the Shares which would fall to be allotted and issued under the SEN under special mandate.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Allied Properties (H.K.) Limited
Li Chi Kong
Executive Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular as far as the Company is concerned and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement in this circular misleading.

2. SHARE CAPITAL

Assuming there is no change to the number of Shares in issue from the Latest Practicable Date to the Completion Date, the authorised and issued share capital of the Company (a) as at the Latest Practicable Date; and (b) after Completion and upon the allotment and issue of the Shares under the SEN will be as follows:

<i>Authorised:</i>	<i>HK\$</i>
<u>30,000,000,000</u> Shares as at the Latest Practicable Date	<u>6,000,000,000</u>
<i>Issued and fully paid up or credited as fully paid up</i>	
6,088,832,430 Shares in issue as at the Latest Practicable Date	1,217,766,486
<u>864,284,155</u> Shares to be issued upon conversion of the SEN	<u>172,856,831</u>
<i>Total number of Shares issued</i>	
<u>6,953,116,585</u> Shares	<u>1,390,623,317</u>

3. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the shares and the underlying shares of the Company and its associated companies

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant

to Section 352 of the SFO, to be entered in the register referred to in such provisions of the SFO; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules to be notified to the Company and the Stock Exchange:

Name of Directors	Name of Companies	Number of shares and underlying shares held	Approximate % of the relevant issued share capital	Nature of interests
Patrick Lee Seng Wei	The Company	2,700,000 (Note 1)	0.04%	Personal interests (held as beneficial owner)
	AGL (Note 2)	550,000 (Note 3)	0.26%	Personal interests (held as beneficial owner)
Steven Samuel Zoellner	SHK (Note 2)	49,200 (Note 4)	0.00%	Personal interests (held as beneficial owner)
	Quality Healthcare Asia Limited (“QHA”) (Note 2)	186,000 (Note 5)	0.08%	Personal interests (held as beneficial owner)

Notes:

1. This represents an interest in 2,700,000 Shares.
2. AGL is the ultimate holding company of the Company. Both SHK and QHA are the indirect non wholly-owned subsidiaries of the Company. Therefore, AGL, SHK and QHA are associated corporations of the Company within the meaning of Part XV of the SFO.
3. This represents an interest in 550,000 AGL Shares.
4. This represents an interest in 49,200 SHK Shares.
5. This represents an interest in 186,000 shares of QHA.
6. All interests stated above represent long positions.

(b) Interests of substantial shareholders and other persons

Save as disclosed below and in paragraph (a) above, the Directors and the chief executive of the Company were not aware that there was any person who, as at the Latest Practicable Date, had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who, as at the

Latest Practicable Date, was directly and indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of other member of the Group.

Name of Shareholders	Number of shares and underlying shares held	Approximate % of the relevant issued share capital of the Company	Notes
AGL	4,528,120,310	74.36%	1
Lee and Lee Trust	4,528,120,310	74.36%	2, 3
Penta Investment Advisers Limited	550,950,000	9.05%	4
COL Capital Limited (“COL”)	375,082,000	6.16%	5
Vigor Online Offshore Limited (“Vigor”)	375,082,000	6.16%	6
China Spirit Limited (“China Spirit”)	375,082,000	6.16%	7
Chong Sok Un (“Ms. Chong”)	375,082,000	6.16%	8

Notes:

1. The interest includes the holding of: (i) an interest in 1,973,216,190 Shares held by Capscore Limited (“Capcore”); (ii) an interest in 45,903,120 Shares held by Citiwealth Investment Limited (“Citiwealth”); (iii) an interest in 1,540,646,120 Shares held by Sunhill Investments Limited (“Sunhill”); and (iv) an interest in 968,354,880 Shares held by AGL. Capscore, Citiwealth and Sunhill are all wholly-owned subsidiaries of AGL. AGL is therefore deemed to have an interest in the Shares in which Capscore, Citiwealth and Sunhill were interested.
2. This represents the same interest of AGL in 4,528,120,310 Shares.
3. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. They together own approximately 52.40% interest in the issued share capital of AGL and are therefore deemed to have an interest in the Shares in which AGL was interested.
4. These include an interest in (i) 306,798,000 Shares and (ii) an interest in unlisted cash settled derivatives of the Company, giving rise to an interest in 244,152,000 underlying Shares.
5. The interest includes the holding of: (i) 66,260,000 Shares held by Honest Opportunity Limited (“Honest Opportunity”); and (ii) 308,822,000 Shares held by Sparkling Summer Limited (“Sparkling Summer”). Both Honest Opportunity and Sparkling Summer are the indirect wholly-owned subsidiaries of COL. COL is therefore deemed to have an interest in the Shares in which Honest Opportunity and Sparkling Summer were interested.
6. Vigor owns approximately 62.33% interest in the issued share capital of COL and is therefore deemed to have an interest in the Shares in which COL was interested.
7. Vigor is a wholly-owned subsidiary of China Spirit and is therefore deemed to have an interest in the Shares in which Vigor was interested.
8. Ms. Chong is deemed to have interests in the Shares through her 100% interest in China Spirit.
9. All interests stated above represent long positions.

10. Mr. Arthur George Dew who is a non-executive Director is also a non-executive director of AGL; Messrs. John Douglas Mackie and Alan Stephen Jones who are independent non-executive Directors are also independent non-executive directors of AGL; and Mr. Li Chi Kong who is an executive Director is also the group financial controller of AGL.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Save as disclosed below, as at the Latest Practicable Date, none of the Directors (other than such Directors being independent non-executive directors of any company carrying on business which competes or may compete with the Company) or their respective associates was considered to have interests in any competing businesses pursuant to the Listing Rules:

- (a) Mr. Arthur George Dew is a director of AGL which, through a subsidiary, is partly engaged in the business of money lending;
- (b) Mr. Patrick Lee Seng Wei is a director of SHK which, through certain of its subsidiaries, is partly engaged in the businesses of money lending and property investment;
- (c) Mr. Li Chi Kong is a director of AG Capital Limited, a subsidiary of AGL which, is partly engaged in the business of money lending;
- (d) Mr. Patrick Lee Seng Wei is a director of Tian An which, through certain of its subsidiaries, is partly engaged in the businesses of money lending, property development and investment; and
- (e) Messrs. Patrick Lee Seng Wei and Li Chi Kong are directors of Allied Kajima Limited which, through certain of its subsidiaries, is partly engaged in the businesses of property rental and hospitality related activities.

Although the above mentioned Directors have competing interest in other companies by virtue of their respective common directorship, they will fulfil their fiduciary duties in order to ensure that they will act in the best interest of the Shareholders and the Company as a whole at all times. In approving any transaction contemplated between the Company and the above mentioned companies or any other companies in which a Director has a common directorship and/or personal interest (as the case may be), the Director will declare, at a Board meeting or on Board resolutions, the nature and extent of his/her interest, including but not limited to his/her common directorship and/or personal interest (as the case may be) in respect of the transaction contemplated therein or related thereto; where such interest is personal and/or material in nature, the relevant Director will abstain from voting at the Board meeting or on the Board resolutions while signing the same for its validity in accordance with the relevant provisions of articles of association of the Company. Hence the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

6. LITIGATION

Save as disclosed below, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group:

- (a) In 2001, an order was made by the Hubei Province Higher People's Court in China ("2001 Order") enforcing a CIETAC award of 19th July, 2000 ("Award") by which Sun Hung Kai Securities Limited ("SHKS"), a wholly-owned subsidiary of SHK, was required to pay US\$3 million to Chang Zhou Power Development Company Limited ("JV"), a mainland PRC joint venture. SHKS had disposed of all of its beneficial interest in the JV to SHK's listed associate, Tian An, in 1998 and disposed of any and all interest it might hold in the registered capital of the JV ("Interest") to Long Prosperity Industrial Limited ("LPI") in October 2001. Subsequent to those disposals, SHKS' registered interest in the JV in the amount of US\$3 million was frozen further to the 2001 Order. SHKS is party to the following litigation relating to the JV:
 - (i) On 29th February, 2008, a writ of summons with general indorsement of claim was issued by Global Bridge Assets Limited ("GBA"), LPI and Walton Enterprises Limited ("Walton") ("2008 Writ") in the High Court of Hong Kong against SHKS ("HCA 317/2008"). In the 2008 Writ, (a) GBA claims against SHKS for damages for alleged breaches of a guarantee, alleged breaches of a collateral contract, for an alleged collateral warranty, and for alleged negligent and/or reckless and/or fraudulent misrepresentation; (b) LPI claims against SHKS damages for alleged breaches of a contract dated 12th October, 2001; and (c) Walton claims against SHKS for the sum of US\$3 million under a shareholders agreement and/or pursuant to the Award and damages for alleged wrongful breach of a shareholders agreement. GBA, LPI and Walton also claim against SHKS interest on any sums or damages payable, costs, and such other relief as the Court may think fit. The 2008 Writ was served on SHKS on 29th May, 2008. It is being vigorously defended. Among other things, pursuant to a 2001 deed of waiver and indemnification, LPI (being the nominee of GBA) waived and released SHKS from any claims including any claims relating to or arising from the Interest, the JV or any transaction related thereto, covenanted not to sue, and assumed liability for and agreed to indemnify SHKS from any and all damages, losses and expenses arising from any claims by any entity or party arising in connection with the Interest, the JV or any transaction related thereto. On 24th February, 2010 the Court of Appeal struck out the claims of GBA and LPI, and awarded costs of the appeal and the strike out application as against GBA and LPI to SHKS. While a provision has been made for legal costs, SHK does not consider it presently appropriate to make any other provision with respect to HCA 317/2008.
 - (ii) On 20th December, 2007, a writ ("Mainland Writ") was issued by Cheung Lai Na (張麗娜) ("Ms. Cheung") against Tian An and SHKS and was accepted by a mainland PRC court, 湖北省武漢市中級人民法院((2008)武民商外初字第8號), claiming the transfer of a 28% shareholding in the JV, and RMB19,040,000 plus interest thereon for the period from January 1999 to the end of 2007, together with related costs and expenses. Judgment was awarded by the mainland PRC court in Tian An's and SHKS'

favour on 27th July, 2009 which judgment is currently being appealed against by Ms. Cheung. While a provision has been made for legal costs, SHK does not consider it presently appropriate to make any other provision with respect to this writ.

- (iii) On 4th June, 2008, a writ of summons was issued by Tian An and SHKS in the High Court of Hong Kong against Ms. Cheung (“HK Writ”), seeking declarations that (a) Ms. Cheung is not entitled to receive or obtain the transfer of 28% or any of the shareholding in the JV from Tian An and SHKS; (b) Ms. Cheung is not entitled to damages or compensation; (c) Hong Kong is the proper and/or the most convenient forum to determine the issue of Ms. Cheung’s entitlement to any shareholding in the JV; (d) further and alternatively, that Ms. Cheung’s claim against Tian An and SHKS in respect of her entitlement to the shareholding in the JV is scandalous, vexatious and/or frivolous; and (e) damages, interest and costs as well as further or other relief (together with related costs and expenses). The HK Writ was not served on Ms. Cheung and lapsed on 3rd June, 2009. A further writ of summons was issued by Tian An and SHKS in the High Court of Hong Kong against Ms. Cheung on 4th June, 2009 seeking the same relief as the HK Writ. SHK does not consider it presently appropriate to make any provision with respect to this action.
- (b) On 14th October, 2008, a writ of summons was issued by Sun Hung Kai Investment Services Limited (“SHKIS”) in the High Court of Hong Kong against Quality Prince Limited, Allglobe Holdings Limited, the Personal Representative of the Estate of Lam Sai Wing, Chan Yam Fai Jane (“Ms. Chan”) and Ng Yee Mei (“Ms. Ng”), seeking recovery of (a) the sum of HK\$50,932,876.64; (b) interest; (c) legal costs; and (d) further and/or other relief. Having sold collateral for the partial recovery of amounts owing, SHKIS filed a Statement of Claim in the High Court of Hong Kong on 24th October, 2008 claiming (a) the sum of HK\$36,030,376.64; (b) interest; (c) legal costs; and (d) further and/or other relief. Summary judgment against all the defendants was granted by Master C Chan on 25th May, 2009, but judgment with respect to Ms. Chan and Ms. Ng only was overturned on appeal by the judgment of Suffiad J dated 7th August, 2009. SHKIS’ appeal of that judgment to the Court of Appeal was heard 6th May, 2010, and was dismissed. The trial will be heard on a date to be fixed.

7. GENERAL

- (a) The registered office of the Company is 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.
- (b) The company secretary and the financial controller of the Company is Mr. Li Chi Kong. He is a member of the Institute of Chartered Accountants of Scotland and a fellow of the Hong Kong Institute of Certified Public Accountants.
- (c) The share registrars of the Company is Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (d) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. on any business day from the date of this circular up to and including the date of the EGM (except Saturdays and public holidays) at the registered office of the Company at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31st December, 2008 and 31st December, 2009;
- (c) the Acquisition Agreement; and
- (d) this circular.

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Allied Properties (H.K.) Limited (the “Company”) will be held at Plazas 1 and 2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 18th June, 2010 at 11:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the agreement dated 19th April, 2010 entered into between China Elite Holdings Limited (as purchaser), Sun Hung Kai & Co. Limited (“SHK”) (as vendor) and the Company (as guarantor) in relation to, *inter alia*, the conditional sale and purchase of 573,589,096 shares (the “Acquisition”), representing approximately 38.06% of the total issued share capital in Tian An China Investments Company Limited (“Tian An”) as at the date of this resolution, with the consideration to be satisfied by issue of the share entitlement note (“SEN”) by Joy Club Enterprises Limited to SHK which confers the right to call for the issue of 2,293,561,833 fully paid shares of the Company (the “Acquisition Agreement”) (a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification); and further details which are set out in the circular of the Company dated 24th May, 2010 (a copy of which has been produced to the EGM marked “B” and signed by the chairman of the EGM for the purpose of identification) and all the transactions contemplated thereunder and all other matters of and incidental thereto or in connection therewith be and are hereby approved, ratified and confirmed;
- (b) the issue of the SEN to SHK as consideration for the Acquisition and the issue and allotment of 2,293,561,833 fully paid shares of Company pursuant to exercise of the SEN in accordance to the terms and conditions of the SEN be and are hereby approved; and
- (c) any one director of the Company be and is hereby authorised for and on behalf of the Company, amongst other matters, to sign, seal, execute, perfect, deliver, do or to authorise signing, executing, perfecting and delivering and doing all such documents, deeds, acts, matters and things as the Director may in his/her discretion consider necessary, expedient or desirable to issue the SEN, to issue and allot 2,293,561,833 fully paid shares of the Company pursuant to exercise of the SEN in accordance with the terms set out therein and to give effect to and implement the terms of the Acquisition Agreement and the SEN and to make

NOTICE OF EGM

and agree such variations, amendments, waiver relating thereto (including any variation, amendments or waiver of such documents, which are not fundamentally different from those as provided under the Acquisition Agreement and the SEN) as the Director may in his/her discretion consider to be desirable and in the interest of the Company and its shareholders as a whole.

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

Hong Kong, 24th May, 2010

Registered office:

22nd Floor, Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

Notes:

- 1. A form of proxy for use at the EGM is enclosed herewith.*
- 2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either executed under its common seal or under the hand of any officer, attorney or other person duly authorized to sign the same.*
- 3. Any shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint not more than two proxies (who must be an individual or individuals) to attend and vote instead of him/her on the same occasion. A proxy need not be a shareholder of the Company but must attend the EGM in person to represent him/her.*
- 4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof (as the case may be). Such prescribed form of proxy for use at the EGM is also published on the HKExnews website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.alliedproperties.com.hk.*
- 5. Completion and return of the form of proxy will not preclude any shareholders from attending and voting in person at the EGM or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.*
- 6. Where there are joint registered holders of any share(s), any one of such joint holders may attend and vote at the EGM or at any adjourned meeting thereof (as the case may be), either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the EGM or at any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.*