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ALLIED GROUP LIMITED

(聯合集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 373)



ALLIED PROPERTIES (H.K.) LIMITED

(聯合地產(香港)有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 56)

JOINT ANNOUNCEMENT

References are made to the joint announcements of Allied Group Limited (“AGL”), Allied Properties (H.K.) Limited (“APL”) and Sun Hung Kai & Co. Limited (“SHK”) dated 26th April, 2010 and 13th July, 2010 respectively (the “Announcements”) in relation to, inter alia, the issue of 2% mandatory convertible notes due 2013 in an aggregate principal amount of HK\$1,708,000,000 mandatorily convertible into the ordinary shares of SHK. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

The respective boards of directors of APL and AGL have now been notified by SHK that SHK has received a notice from the Investor requesting the conversion of all its outstanding Mandatory Convertible Notes in the aggregate principal amount of HK\$1,708,000,000 at the conversion price of HK\$5.00 per SHK Share and the conversion date is deemed to be 25th August, 2011 under the terms of the Mandatory Convertible Notes. As a result of the conversion, SHK will allot and issue a total of 341,600,000 new SHK Shares (the “Conversion Shares”) to the Investor on or before 5th September, 2011 pursuant to the terms of Mandatory Convertible Notes and the issued share capital of SHK will be increased from 1,775,968,796 SHK Shares to 2,117,568,796 SHK Shares upon the allotment of the Conversion Shares.

The respective boards of directors of APL and AGL would like to announce that as at the date of this announcement, APL is and AGL is, through APL, deemed to be interested in 1,114,448,302 SHK Shares, representing approximately 62.75% of the issued share capital of SHK. Upon the allotment of the Conversion Shares to the Investor, shareholding interest of APL and AGL in SHK will decrease from approximately 62.75% to approximately 52.63%.

This is a voluntary announcement jointly made by AGL and APL. The purpose of this announcement is to keep the shareholders and potential investors of both AGL and APL informed of the latest development of AGL and APL respectively.

On behalf of the Board of
Allied Group Limited
Edwin Lo King Yau
Executive Director

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

Hong Kong, 26th August, 2011

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

Executive Directors:

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

Non-Executive Directors:

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

Independent Non-Executive Directors:

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

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

Executive Directors:

Messrs. Lee Seng Hui (*Chief Executive*), Li Chi Kong and Mark Wong Tai Chun

Non-Executive Director:

Mr. Arthur George Dew (*Chairman*)

Independent Non-Executive Directors:

Messrs. Steven Samuel Zoellner, Alan Stephen Jones and David Craig Bartlett