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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** about any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in Allied Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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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**

**ACQUISITION OF 41 MILLION SHARES OF  
SUN HUNG KAI & CO. LIMITED  
BY AN INDIRECT NON WHOLLY-OWNED SUBSIDIARY**

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## DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendors
“Announcement”	the announcement of the Company dated 31st October, 2008 in relation to the Acquisition
“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 the Company
“APL Directors”	directors of APL
“APL Group”	APL and its subsidiaries
“associates”	having the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“B.V.I.”	British Virgin Islands
“COL”	COL Capital Limited, a company incorporated in Bermuda with limited liability, with its securities listed on the Main Board of the Stock Exchange
“Company”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, with its shares listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Honest Opportunity”	Honest Opportunity Limited, a company incorporated in the B.V.I. with limited liability being one of the Vendors for the Acquisition
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Latest Practicable Date”	18th November, 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“Purchaser”	AP Emerald Limited, a company incorporated in the B.V.I. with limited liability and an indirect wholly-owned subsidiary of APL
“Sale Shares”	an aggregate of 41 million SHK Shares acquired by the Purchaser from the Vendors
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$2.00 each in the issued 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, with its securities listed on the Main Board of the Stock Exchange, and an indirect non wholly-owned subsidiary of APL
“SHK Share(s)”	ordinary share(s) of HK\$0.20 each in the issued share capital of SHK
“Sparkling Summer”	Sparkling Summer Limited, a company incorporated in the B.V.I. with limited liability being one of the Vendors for the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	having the meaning ascribed to it under the Listing Rules
“Vendors”	Sparkling Summer and Honest Opportunity
“%”	per cent.



**ALLIED GROUP LIMITED**

**(聯合集團有限公司)**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 373)**

*Executive Directors:*

Lee Seng Hui (*Chief Executive*)

Edwin Lo King Yau

Mak Pak Hung

*Registered Office:*

22nd Floor

Allied Kajima Building

138 Gloucester Road

Wanchai

Hong Kong

*Non-Executive Directors:*

Arthur George Dew (*Chairman*)

Lee Su Hwei

*Independent Non-Executive Directors:*

Wong Po Yan

David Craig Bartlett

John Douglas Mackie

Alan Stephen Jones

21st November, 2008

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION**

**ACQUISITION OF 41 MILLION SHARES OF  
SUN HUNG KAI & CO. LIMITED  
BY AN INDIRECT NON WHOLLY-OWNED SUBSIDIARY**

**INTRODUCTION**

Reference is made to the Announcement in which the Company announced that on 28th October, 2008, the Purchaser acquired an aggregate of 41 million SHK Shares representing approximately 2.4% of the issued shares of SHK from the Vendors at the total price of HK\$139.4 million representing HK\$3.40 per SHK Share. Immediately after the completion of the Acquisition, the indirect shareholding of APL in SHK increased approximately from 59.97% to 62.37%.

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## LETTER FROM THE BOARD

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The Purchaser is an indirect wholly-owned subsidiary of APL which is a non wholly-owned subsidiary of the Company. The transaction entered into by APL Group shall also be a transaction of the Company as the definition of listed issuer under the Listing Rules shall include the listed issuer's subsidiaries. As advised by APL, none of the Percentage Ratios for APL exceeds 5%, therefore APL advises that it will not be subject to the disclosure obligation under Chapter 14 of the Listing Rules. Given that the relevant Percentage Ratio for the Company exceeds 5% but under 25%, the Acquisition constitutes a discloseable transaction of the Company.

### THE ACQUISITION

**Date:** 28th October, 2008

**Parties:**

- (1) Honest Opportunity Limited and Sparkling Summer Limited as Vendors
- (2) AP Emerald Limited as Purchaser

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Vendors and their ultimate beneficial owner, COL, are independent third parties not connected with SHK, APL, the Company and connected persons of SHK, APL and the Company. Pursuant to the register as required to be kept under the SFO, COL was interested in approximately 3.06% of the issued share capital of the Company as at 18th September, 2008 and approximately 6% of the issued share capital of APL as at 21st December, 2007. Save as disclosed above and for the Acquisition, there is no other business relationship between COL and each of the Company, APL and the Purchaser.

### Assets acquired

The Sale Shares comprising 32,344,000 SHK Shares disposed of by Sparkling Summer and 8,656,000 SHK Shares disposed of by Honest Opportunity.

The acquisition of the Sale Shares by the Purchaser was effected by execution of contract notes on 28th October, 2008. Immediately after the completion of the Acquisition, the indirect shareholding of APL in SHK increased approximately from 59.97% to 62.37%. SHK remained an indirect non wholly-owned subsidiary of the Company following completion of the Acquisition.

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## LETTER FROM THE BOARD

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### Purchase price

As advised by APL, a total of HK\$139.4 million representing HK\$3.40 per SHK Share which is satisfied by cash and funded as to approximately HK\$89,400,000 by internal resources and as to approximately HK\$50,000,000 by borrowings of APL Group. It was noted that HK\$3.40 per SHK Share represents a premium of 19.7% to the closing price as at 27th October, 2008 and a premium of 13.9% to the average closing price for the last 10 trading days ended on 27th October, 2008.

For information purpose only, the average closing price of SHK Share for the last 30 trading days and 20 trading days ended on 27th October, 2008 were HK\$3.476 and HK\$3.166 respectively. As at 27th October, 2008, the closing price of SHK Share was HK\$2.84.

Based on the information provided by APL, the purchase price of the Sale Shares was arrived at on arm's length basis. Given the recent market slump, the recent fluctuation of the trading price of the SHK Shares and the global market economy, APL advises that its directors are of the view that the recent market price does not reflect the underlying value of the SHK Shares. APL has taken up all the scrip SHK Shares instead of cash for SHK's 2008 interim dividend as it considered that the reference market value of HK\$3.388 is acceptable. Given the recent fluctuation of the trading price of SHK Shares, APL Directors have taken into account the reference market value of SHK of HK\$3.388 per SHK Share for calculating the number of scrip shares for SHK's 2008 interim dividend in determining the purchase price of the Sale Shares instead of the recent trading price. In addition, APL Directors have also considered the substantial size of the block of the Sale Shares and the net asset value of SHK Shares in the process of considering the purchase price. As the record date for the interim dividend of SHK was 9th October, 2008, the Purchaser shall not be entitled to the interim dividend for the Sale Shares declared by SHK for the six months ended 30th June, 2008.

### REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION

SHK is a company incorporated in Hong Kong with limited liability, the securities of which 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.

The audited net profit before and after taxation of SHK for the year ended 31st December, 2007 was HK\$2,193,826,000 and HK\$2,020,954,000 respectively and the audited net profit before and after taxation attributable to the Sale Shares for the year ended 31st December, 2007 was HK\$52,652,000 and HK\$48,503,000 respectively. The audited net profit before and after taxation of SHK for the year ended 31st December, 2006 was HK\$595,088,000 and HK\$510,686,000 respectively and the audited net profit before and after taxation attributable to the Sale Shares for the year ended 31st December, 2006 was HK\$14,282,000 and HK\$12,256,000 respectively.

The unaudited consolidated net asset value of SHK as at 30th June, 2008 was HK\$11,973,238,000 and the unaudited consolidated net asset value attributable to the Sale Shares was HK\$287,358,000 representing HK\$7.00 per SHK Share.

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## LETTER FROM THE BOARD

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As advised by APL, the purchase price per SHK Share represents approximately 48.6% of the unaudited consolidated net asset value per SHK Share as at 30th June, 2008. Although the purchase price represents a premium of 19.7% to the closing price of SHK Share as at 27th October, 2008, APL advises that its directors are of the view that the recent market price does not reflect the underlying value of the SHK Shares in view of its relatively higher net asset value as at 30th June, 2008 and profitability in the last two years. The Sale Shares were acquired for long term investment and it is expected that the market price of SHK Shares should reflect its underlying value when the market sentiment improves. In view of the above and the fact that the purchase price of the Sale Shares represents a substantial discount to the net asset value of SHK Shares and the substantial size of the block of Sale Shares, APL advises that its directors are of the view that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interest of the shareholders of APL as a whole. Based on the information provided by APL, the Directors concur with the view of the APL Directors that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the shareholders of the Company as a whole.

In view of the above, APL advises that its directors consider that the increase of APL's indirect shareholding in SHK approximately from 59.97% to 62.37% through the Acquisition would enable APL to further increase its long term shareholding in SHK, being its major subsidiary, with the objective of increasing returns to its shareholders.

Following the completion of the Acquisition and based on the unaudited consolidated balance sheet of SHK as at 30th June, 2008, a gain on discount on further acquisition of subsidiary of approximately HK\$109,300,000 (after deduction of minority interests) would be recognised in the consolidated income statement and the minority interest in the consolidated balance sheet would be decreased by approximately HK\$248,700,000. The consolidated liabilities would be increased by approximately HK\$50,000,000 and the consolidated assets would be decreased by approximately HK\$89,400,000.

### **INFORMATION ABOUT THE COMPANY, APL, THE PURCHASER AND THE VENDORS**

#### **The Company**

The Company is incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. 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, health administration, medical scheme administration, the provision of healthcare services, and the provision of financial services.

#### **APL**

APL is a company incorporated in Hong Kong with limited liability, the securities of which 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, health administration,



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## LETTER FROM THE BOARD

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medical scheme administration, the provision of healthcare services, and the provision of financial services. As at the Latest Practicable Date, APL was beneficially owned as to approximately 73.87% by the Company.

### **The Purchaser**

The Purchaser is a company incorporated in the B.V.I. with limited liability and is an indirect wholly-owned subsidiary of APL. The principal business activity of the Purchaser is investment holding.

### **Honest Opportunity**

Based on the information provided by COL to APL, Honest Opportunity is a company incorporated in the B.V.I. with limited liability. The principal business activities of Honest Opportunity are securities trading and investments. As at the Latest Practicable Date, COL has advised APL that Honest Opportunity is an indirect wholly-owned subsidiary of COL.

### **Sparkling Summer**

Based on the information provided by COL to APL, Sparkling Summer is a company incorporated in the B.V.I. with limited liability. The principal business activities of Sparkling Summer are securities trading and investments. As at the Latest Practicable Date, COL has advised APL that Sparkling Summer is an indirect wholly-owned subsidiary of COL.

### **LISTING RULES IMPLICATIONS**

The Purchaser is an indirect wholly-owned subsidiary of APL which is a non wholly-owned subsidiary of the Company. The transaction entered into by APL Group shall also be a transaction of the Company as the definition of listed issuer under the Listing Rules shall include the listed issuer's subsidiaries. As advised by APL, none of the Percentage Ratios for APL exceeds 5%, therefore APL will not be subject to the disclosure obligation under Chapter 14 of the Listing Rules. Given that the relevant Percentage Ratio for the Company exceeds 5% but under 25%, the Acquisition constitutes a discloseable transaction of the Company.

### **ADDITIONAL INFORMATION**

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

Yours faithfully,  
On behalf of the Board  
**Allied Group Limited**  
**Arthur George Dew**  
*Chairman*

## 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 in connection with the Company have been arrived at after due and careful consideration and there are no other facts in connection with the Company the omission of which would make any statement in this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' Interests

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:

<b>Name of Director</b>	<b>Number of Shares held</b>	<b>Approximate percentage of the relevant issued share capital of the Company</b>	<b>Nature of interests</b>
Lee Seng Hui	108,649,413	44.52%	Personal interests (held as beneficial owner) in 22,921 Shares and other interest in 108,626,492 Shares ( <i>Note 1</i> )
Lee Su Hwei	108,626,492	44.51%	Other interests ( <i>Note 1</i> )

*Notes:*

1. Mr. Lee Seng Hui and Ms. Lee Su Hwei are trustees of Lee and Lee Trust, being a discretionary trust which indirectly held 108,626,492 Shares.
2. All interests stated above represent long positions.

Save as disclosed above, none of the Directors had any interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed pursuant to the provision of Divisions 2 and 3 of Part XV of the SFO.

**(b) Substantial Shareholders' and Other Persons' Interests**

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 Division 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 the Group.

- (i) *Interests in the Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO*

<b>Name of Shareholder</b>	<b>Number of Shares held</b>	<b>Approximate percentage of the relevant issued share capital of the Company</b>	<i>Notes</i>
Cashplus Management Limited ("Cashplus")	32,781,800	13.42%	–
Zealous Developments Limited ("Zealous")	32,781,800	13.42%	1, 2
Minty Hongkong Limited ("Minty")	75,844,692	31.06%	–
Lee and Lee Trust	108,626,492	44.51%	3, 4
Penta Investment Advisers Limited ("Penta")	19,546,000	8.01%	–
John Zwaanstra	19,546,000	8.01%	5

*Notes:*

1. This represents the same interest of Cashplus in 32,781,800 Shares.
2. Cashplus is a wholly-owned subsidiary of Zealous. Zealous was therefore deemed to have an interest in the Shares in which Cashplus was interested.
3. Minty and Zealous are wholly-owned by the trustees of Lee and Lee Trust, being a discretionary trust.
4. Mr. Lee Seng Hui and Ms. Lee Su Hwei, both Directors, together with Mr. Lee Seng Huang are the trustees of Lee and Lee Trust and were therefore deemed to have an interest in the Shares in which Minty and Zealous were interested.
5. Mr. John Zwaanstra was deemed to have an interest in the Shares through his 100% interest in Penta.
6. All interests stated above represent long positions. As at the Latest Practicable Date, no short positions were recorded in the register required to be kept under Section 336 of the SFO.

*(ii) Interests in the shares of other members of the Group*

Name of non wholly-owned subsidiaries of the Company	Name of shareholder	Number of shares held	Approximate percentage of the relevant issued share capital
Best Decision Investments Limited	Christophe Lee Kin Ping	17,500	35.00%
Dalian Allied First Financial Centre Co. Ltd.	大連商業集團總公司	N/A	30.00%
Dalian Lianhua Plaza Development Co. Ltd.	大連民興房地產發展有限公司	N/A	20.00%
Hardy Wall Limited	Betterhuge Limited	35	35.00%
SHK Financial Data Limited	Unison Information Limited	49	49.00%
United Asia Finance Limited	ITOCHU Hong Kong Limited	25,625,000	18.64%

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had 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).

### 4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Save as disclosed below, as at the Latest Practicable Date, none of the Directors (not being the independent non-executive Directors) 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 APL which, through a subsidiary, is partly engaged in the business of money lending;
- (b) Mr. Lee Seng Hui and Ms. Lee Su Hwei are two of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of APL, SHK, and Tian An China Investments Company Limited ("Tian An") which, through their subsidiaries, are partly engaged in the businesses as follows:
  - APL, through a subsidiary, is partly engaged in the business of money lending;
  - SHK, through certain of its subsidiaries, is partly engaged in the businesses of money lending and property investment in Mainland China; and
  - Tian An, through certain of its subsidiaries, is partly engaged in the businesses of money lending and property investment in Mainland China.
- (c) Mr. Lee Seng Hui is a director of Allied Kajima Limited which, through certain of its subsidiaries, is partly engaged in the businesses of property rental, management services and hospitality related activities; and
- (d) Messrs. Lee Seng Hui and Edwin Lo King Yau are directors of Tian An which, through certain of its subsidiaries, is partly engaged in the businesses of money lending and property investment in Mainland China.

Although the businesses of APL and Tian An also consist of property development in Hong Kong and Mainland China respectively, Messrs. Arthur George Dew, Lee Seng Hui and Edwin Lo King Yau are not regarded in this respect as being interested in a competing business to the Group, as each of APL and Tian An do not have property development in the same region.

As the Board is independent from the boards of the abovementioned companies, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

## 5. 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) On 10th July, 2006, the Court of Final Appeal upheld the judgment (as amended by the Court of Appeal) of the Hong Kong Court of First Instance of 1st April, 2004, that Sun Hung Kai Securities Limited (“SHKS”), a wholly-owned subsidiary of SHK, holds a 12.5% interest in a 50/50 joint venture entered into between New World Development Company Limited (“NWDC”) and IGB Corporation Berhad to purchase land and build two international hotels plus a 200-unit serviced apartment complex in Kuala Lumpur, Malaysia (“Joint Venture”), and that accordingly, SHKS was liable to pay to NWDC the sums which NWDC had advanced to the joint venture company Great Union Properties Sdn. Bhd. (“GUP”) on behalf of SHKS, together with interest on such monies (“Judgment Sum”) and costs of the First Instance hearing and of the two appeals (“Costs Order”). SHKS had previously paid to NWDC the Judgment Sum and more recently a sum in satisfaction of the Costs Order. Other claims from NWDC for amounts advanced to GUP on behalf of SHKS with respect to the Joint Venture had been paid previously by SHKS. SHKS is presently seeking the assistance of NWDC and Stapleton Developments Limited (“Stapleton”) to ensure that the legal interest of the issued shares of GUP which Stapleton holds on trust for SHKS be transferred to SHKS, and that GUP acknowledges and records in its accounts in the name of SHKS the amount of the shareholders’ loans made on behalf of SHKS to it.
- (b) By Notice dated 6th June, 2007, the Financial Secretary required the Market Misconduct Tribunal (“MMT”) (i) to conduct proceedings, and (ii) to hear and determine matters arising out of dealings in the securities of QPL International Holdings Limited dating back to May and June 2003. SHK’s indirect wholly-owned subsidiaries, Sun Hung Kai Investment Services Limited (“SHKIS”) and Cheeroll Limited (now known as Sun Hung Kai Strategic Capital Limited) were specified in the Notice with two employees accredited to SHKIS. As at the Latest Practicable Date, the substantive hearing for the matter is being conducted by the MMT.

- (c) 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 SHKS was required to pay US\$3,000,000 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\$3,000,000 was frozen further to the 2001 Order. SHK 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\$3,000,000 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 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.
- (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 end 2007 together with related costs and expenses. The Mainland Writ is being vigorously defended.
- (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). As at the Latest Practicable Date, the HK Writ has not been served on Ms. Cheung.

- (d) On 14th October, 2008, a writ of summons was issued by 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 and Ng Yee Mei, seeking recovery of (a) the sum of HK\$50,932,876.64; (b) interest; (c) legal costs; and (d) further and/or other relief.

## 6. GENERAL

- (a) The registered office of the Company is 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.
- (b) The company secretary of the Company is Ms. Winnie Lui Mei Yan. She is an associate member of both the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators and holds a Master's Degree in Business Administration.
- (c) The qualified accountant of the Company is Mr. Kelvin Lam Kam Wing. He obtained a Master's Degree in Business Administration from The Chinese University of Hong Kong in 1999 and is a fellow of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (d) The share registrar 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.
- (e) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.