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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)



新鴻基有限公司

SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 86)

JOINT ANNOUNCEMENT CONNECTED TRANSACTION

On 19 July 2004, Bali International, a wholly-owned subsidiary of SHK, entered into the Loan Agreement with Ms. Yuen and Mr. Wong pursuant to which Bali International extended the Loan to Ms. Yuen.

Ms. Yuen is the spouse of Mr. Wong who is a director of SHK Investment and Upstand Assets, both being wholly-owned subsidiaries of SHK which in turn is a subsidiary of both APL and AGL. Accordingly, the Loan constitutes a connected transaction for each of SHK, APL and AGL respectively under the Listing Rules.

Pursuant to Rule 14A.66(2) of the Listing Rules, details of the Loan as stipulated under Rule 14A.45 of the Listing Rules will be included in the next published annual report and accounts of each of SHK, APL and AGL respectively.

The Loan Agreement

Parties

Lender: Bali International

Borrower: Ms. Yuen

Guarantor: Mr. Wong

Date: 19 July 2004

Principal Terms of the Loan Agreement

The principal terms of the Loan Agreement are summarized below:

1. The amount of the Loan is HK\$5,600,000.
2. Interest shall be calculated at the prime rate of interest in Hong Kong for lending of Hong Kong Dollar(s) as quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time plus 3% per annum. Interest would be payable on a monthly basis.
3. The date of repayment of the Loan would be 19 July 2005.
4. Ms. Yuen executed a power of attorney over a margin financing account held with SHK Investment and the market value of the securities held in the said account (including 50,000 shares of SHK and 926,000 shares of AGL) is approximately HK\$9.65 million as at the date of this announcement. As additional security for the Loan, Mr. Wong provided personal guarantee to Bali International in respect of all indebtedness owed by Ms. Yuen pursuant to the Loan Agreement.

Connected Transaction

Ms. Yuen is the spouse of Mr. Wong who is a director of SHK Investment and Upstand Assets, both being wholly-owned subsidiaries of SHK. Accordingly, Ms. Yuen is an associate of a connected person of SHK and the Loan constitutes a connected transaction for SHK under the Listing Rules.

As at the date of this announcement, SHK is held as to approximately 74.98% by APL which in turn is held as to approximately 74.64% by AGL. Accordingly, the Loan would also constitute a connected transaction for each of APL and AGL respectively. Pursuant to Rule 14A.66(2) of the Listing Rules, details of the Loan as stipulated under Rule 14A.45 of the Listing Rules will be included in the next published annual report and accounts of each of SHK, APL and AGL respectively.

Reasons for the Loan

One of the core businesses of SHK's major subsidiaries (including Bali International) is money lending including the provision of term loans. The provision of the Loan is a transaction carried out as part of the ordinary business activities. The respective boards of directors (including all the respective independent non-executive directors) of SHK, APL and AGL consider that the Loan Agreement was entered into on normal commercial terms and that the terms are fair and reasonable and in the interests of the shareholders as a whole.

General

The principal activity of AGL is investment holding. The principal activities of AGL's major subsidiaries are property investment and development, hospitality related activities and the provision of financial services.

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

The principal activity of SHK is investment holding. The principal activities of SHK's major subsidiaries are securities, leveraged forex, bullion, commodities and futures broking, provision of online financial services and online financial information distribution, money lending including the provision of term loans, share margin financing, financial planning and wealth management, fund management, corporate finance, property investment and insurance consultancy.

Definitions

For the purposes of this announcement, capitalised terms appearing herein shall, unless the context otherwise admits, have the meanings set out below:

“AGL”	Allied Group Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong, the securities of which are listed on the Stock Exchange
“Bali International”	Bali International Finance Limited, a company incorporated in Hong Kong and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“HK\$”	Hong Kong Dollars
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	Term loan in the sum of HK\$5,600,000 granted by Bali International to Ms. Yuen pursuant to the Loan Agreement
“Loan Agreement”	Agreement dated 19 July 2004 between Bali International as lender, Ms. Yuen as borrower and Mr. Wong as guarantor pursuant to the terms of which the Loan was granted by Bali International to Ms. Yuen
“Mr. Wong”	Mr. Wong Kwok Hing, Patrick, a director of SHK Investment and Upstand Assets and the spouse of Ms. Yuen
“Ms. Yuen”	Ms. Yuen Sin Lai, Jacqueline, the spouse of Mr. Wong
“SHK”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange
“SHK Investment”	Sun Hung Kai Investment Services Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of SHK and a deemed licensed corporation under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Upstand Assets”	Upstand Assets Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of SHK
“%”	per cent.

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

On behalf of the Board
Allied Properties (H.K.) Limited
Patrick Lee Seng Wei
Chief Executive

On behalf of the Board
Sun Hung Kai & Co. Limited
Joseph Tong Tang
Executive Director

Hong Kong, 19 July 2004

As at the date of this announcement, the board of directors of Allied Group Limited comprises Messrs. Lee Seng Hui (Chief Executive) and Edwin Lo King Yau being the executive directors, Ms. Lee Su Hwei and Mr. Arthur George Dew being the non-executive directors, Sir. Gordon Macwhinnie (Non-Executive Chairman), Messrs. Wong Po Yan, David Craig Bartlett and John Douglas Mackie being the independent non-executive directors.

As at the date of this announcement, the board of directors of Allied Properties (H.K.) Limited comprises Messrs. Patrick Lee Seng Wei (Chief Executive) and Li Chi Kong being the executive directors, Sir. Gordon Macwhinnie (Non-Executive Chairman), Messrs. Henry Lai Hin Wing and John Douglas Mackie being the independent non-executive directors.

As at the date of this announcement, the board of directors of Sun Hung Kai & Co. Limited comprises Mr. Patrick Lee Seng Wei and Mr. Joseph Tong Tang being the executive directors, Mr. Arthur George Dew (Chairman) and Sir Gordon Macwhinnie being the non-executive directors, and Mr. David Craig Bartlett, Mr. Peter Wong Man Kong and Mr. Dieter Yih being the independent non-executive directors.

“Please also refer to the published version of this announcement in The Standard”.