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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)

DISCLOSEABLE TRANSACTION



新鴻基有限公司

SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 86)

JOINT ANNOUNCEMENT

(1) Conditional sale and purchase of the entire issued share capital of Island New Finance Limited



THE HONG KONG BUILDING AND LOAN AGENCY LIMITED

(香港建屋貸款有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 145)

(2) Possible unconditional mandatory cash offer by

Somerley Limited

on behalf of

Mercurius Partners Investments Limited

for all the issued shares in The Hong Kong Building and Loan Agency Limited

(other than those already owned by or agreed to be acquired by

Mercurius Partners Investments Limited

and parties acting in concert with it)

(3) Resumption of trading

Conditional sale and purchase of the entire issued share capital of INFL

On 11th May, 2007, Onspeed (an indirect non wholly-owned subsidiary of SHK, held through its interests in UAF), UAF and the Offeror entered into the Agreement, pursuant to which Onspeed has conditionally agreed to sell the Sale Share (representing the entire issued share capital of INFL) and assign the Loan, and the Offeror has conditionally agreed to purchase the Sale Share and accept the assignment of the Loan, at an aggregate consideration of HK\$248,903,319.

An initial deposit of HK\$20,000,000 was paid by the Offeror to Onspeed upon the signing of the Agreement. The balance of the consideration in the sum of HK\$228,903,319 will be settled in cash on completion of the sale and purchase of the Sale Share.

As at the date of this announcement, INFL is beneficially interested in approximately 74.999 per cent. of the issued share capital of HKBLA. HKBLA is the only investment of INFL.

Completion of the sale and purchase of the Sale Share is conditional upon fulfilment of a number of conditions.

The sale and purchase of the Sale Share is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of AGL, APL, SHK and HKBLA.

The transactions contemplated in the Agreement constitute a discloseable transaction for APL, on the basis that the calculation of the consideration ratio is within the range of 5 per cent. and 25 per cent.

APL will despatch a circular to its shareholders as soon as practicable. The circular to be despatched by APL will contain, amongst other things, details of the terms of the Agreement.

AGL and SHK issue this announcement pursuant to Rule 13.09 of the Listing Rules.

Possible unconditional mandatory cash offer

Immediately following completion of the sale and purchase of the Sale Share, the Offeror and parties acting in concert with it, through their interests in INFL, will be interested in approximately 74.999 per cent. of the issued share capital of HKBLA as at the date of this announcement. Subject to completion of the sale and purchase of the Sale Share, the Offeror will be required under Rule 26.1 of the Takeovers Code to make the Offer (being an unconditional mandatory cash offer) to acquire all the issued shares in HKBLA other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it. Further details in relation to the Offer are set out in the announcement issued by the Offeror dated 14th May, 2007. An offer document setting out the offer price of HK\$1.475 per HKBLA Share and the other terms and conditions of the Offer in accordance with the Takeovers Code will be sent by or on behalf of the Offeror to the shareholders of HKBLA.

An independent board committee of HKBLA will be constituted to consider the terms of the Offer and to make a recommendation to the shareholders of HKBLA. Independent financial adviser will be appointed to advise the independent board committee of HKBLA on the fairness and reasonableness of the Offer. An announcement will be made by HKBLA as soon as an independent financial adviser is appointed.

The Offer will only be made if completion of the sale and purchase of the Sale Share takes place. Completion of the sale and purchase of the Sale Share is subject to satisfaction or waiver of the conditions contained in the Agreement, and the Offer may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the HKBLA Shares.

Within 14 days after the date of posting of an offer document by the Offeror, HKBLA will despatch an offeree board circular in relation to the Offer to the shareholders of HKBLA. The offeree board circular to be despatched will contain, amongst other things, the information required under the Takeovers Code, a letter from the independent board committee of HKBLA and a letter from the independent financial adviser.

Resumption of trading

Trading in the securities of AGL, APL, SHK and HKBLA on the Stock Exchange was suspended at their respective requests with effect from 9:30 a.m. on 14th May, 2007 pending the release of this announcement. AGL, APL, SHK and HKBLA have each applied for a resumption of trading in their respective securities with effect from 9:30 a.m. on 17th May, 2007.

THE CONDITIONAL SALE AND PURCHASE

On 11th May, 2007, Onspeed (an indirect non wholly-owned subsidiary of SHK, held through its interests in UAF), UAF and the Offeror entered into the Agreement, pursuant to which Onspeed has conditionally agreed to sell the Sale Share (representing the entire issued share capital of INFL) and assign the Loan, and the Offeror has conditionally agreed to purchase the Sale Share and accept the assignment of the Loan, at an aggregate consideration of HK\$248,903,319.

THE AGREEMENT

Date

11th May, 2007

Parties

- (1) Onspeed as vendor
- (2) UAF as warrantor
- (3) the Offeror as purchaser

The Sale Share

The Sale Share represents the entire issued share capital of INFL as at the date of this announcement.

The Sale Share and the Loan will be acquired free from all liens, charges, mortgages, pledges, encumbrances or security arrangements and other options, restrictions, conditions, claims or third party rights, interest or equity of any kind and together with all rights and benefits, as at or after the date of the Agreement, attaching to them.

UAF has agreed to give certain representations and warranties in relation to INFL and the HKBLA Group and to warrant the performance and observance by Onspeed of its obligations and undertakings under the Agreement.

Net consolidated profits attributable to the Sale Share (before minority interest) for the two financial years ended 31st December, 2006 were:

- (i) approximately HK\$999,000 (before taxation) or approximately HK\$999,000 (after taxation) for the financial year ended 31st December, 2005; and
- (ii) approximately HK\$11,781,000 (before taxation) or approximately HK\$10,997,000 (after taxation) for the financial year ended 31st December, 2006.

As at 31st December, 2006, the consolidated net book value of the Sale Share was approximately HK\$8,548,000.

As at the date of this announcement, INFL is beneficially interested in approximately 74.999 per cent. of the issued share capital of HKBLA. HKBLA is the only investment of INFL.

Consideration

The aggregate consideration for the sale and purchase of the Sale Share and the assignment of the Loan shall be HK\$248,903,319, comprising HK\$56,050,344 for the Sale Share and HK\$192,852,975 for the Loan.

The consideration was arrived at after arm's length negotiations between Onspeed and the Offeror, having regard to the net asset value of the HKBLA Shares, together with the profit estimated to be generated from the sale of the Sale Share for UAF, SHK and APL of approximately HK\$47,507,000, approximately HK\$18,532,000 and approximately HK\$12,079,000 respectively based on the selling price of HK\$1.475 per HKBLA Share.

As at the date of the Agreement, the closing price per HKBLA Share was HK\$2.30 and the selling price per HKBLA Share is HK\$1.475 based on the consideration of the sale and purchase of the Sale Share and the assignment of the Loan of HK\$248,903,319.

The selling price of HK\$1.475 per HKBLA Share represents:

- (i) a discount of approximately 35.9 per cent. to the closing price of HK\$2.30 per HKBLA Share as quoted on the Stock Exchange on the last trading day of the HKBLA Shares immediately before the date of this announcement;
- (ii) a discount of approximately 34.7 per cent. to the average closing price of HK\$2.26 per HKBLA share as quoted on the Stock Exchange for the last five trading days of the HKBLA Shares immediately before the date of this announcement; and

- (iii) a discount of approximately 35.8 per cent. to the average closing price of HK\$2.296 per HKBLA Share as quoted on the Stock Exchange for the last ten trading days of the HKBLA Shares immediately before the date of this announcement.

An initial deposit of HK\$20,000,000 was paid by the Offeror to Onspeed upon the signing of the Agreement. The balance of the consideration in the sum of HK\$228,903,319 will be settled in cash on completion of the sale and purchase of the Sale Share.

Conditions

Completion of the sale and purchase of the Sale Share is conditional upon fulfilment of a number of conditions, in particular:

- (i) all necessary approvals, consents and authorisations required for the implementation of the Agreement and the consummation of the transactions envisaged in the Agreement, under the Listing Rules and any existing contractual arrangements, including any loan or finance documentation, entered into by INFL, Onspeed or any other member of the SHK Group and the holding companies of SHK, being obtained and remaining in full force and effect;
- (ii) all necessary licences, authorisations, consents and approvals of all relevant governmental or regulatory authorities, agencies or bodies required for the implementation of the Agreement and the consummation of the transactions envisaged in the Agreement being obtained and remaining in full force and effect;
- (iii) HKBLA retaining its listed status, with the HKBLA Shares not having been suspended from listing, other than for suspensions of a routine nature, including but not limited to, any suspensions relating to the transactions and matters referred to in the Agreement;
- (iv) the delivery to the Offeror (or its advisers) of a certificate of good standing issued by the Registrar of Corporate Affairs in the B.V.I. in respect of INFL and a certificate of incumbency issued by the registered agent of INFL; and
- (v) the delivery to the Offeror (or its advisers) the unaudited management accounts of INFL for the accounting period commencing from the date of incorporation of INFL and ended on the date of the Agreement, within three business days after the date of the Agreement.

Onspeed and the Offeror have agreed to use their respective reasonable endeavours to procure that the above conditions are fulfilled as soon as practicable, and in any event no later than 5:00 p.m. on 30th November, 2007.

If any of the above conditions is not fulfilled (or, to the extent permissible, waived by the Offeror) in full by such time, the deposit will be refunded without interest and the Agreement will terminate. None of the parties to the Agreement will have any claim against any other in respect of the Agreement, except for the obligation to refund the deposit and claims in respect of any antecedent breaches.

The sale and purchase of the Sale Share is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the securities of AGL, APL, SHK and HKBLA.

Completion

Subject to fulfilment of the conditions set out in the Agreement, completion of the sale and purchase of the Sale Share will take place on the third business day following the day on which the last of the conditions is satisfied (or otherwise waived), or such other place and time as may be agreed by Onspeed and the Offeror in writing.

On completion of the sale and purchase of the Sale Share, the balance of the consideration in the sum of HK\$228,903,319 will be paid by the Offeror to Onspeed.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

As at the date of this announcement, the issued share capital of HKBLA is 225,000,000 HKBLA Shares. HKBLA does not have any other securities in issue.

The AGL Directors, the APL Directors, the SHK Directors and the HKBLA Directors are advised that, as at the date of the Agreement and the date of this announcement, the Offeror and parties acting in concert with it do not have any shareholding interest in HKBLA. Immediately following completion of the sale and purchase of the Sale Share, the Offeror and parties acting in concert with it, through their interests in INFL, will be interested in approximately 74.999 per cent. of the issued share capital of HKBLA as at the date of this announcement. Subject to completion of the sale and purchase of the Sale Share, the Offeror will be required under Rule 26.1 of the Takeovers Code to make the Offer (being an unconditional mandatory cash offer) to acquire all the issued shares in HKBLA other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it. Further details in relation to the Offer are set out in the announcement issued by the Offeror dated 14th May, 2007. An offer document setting out the offer price of HK\$1.475 per HKBLA Share and the other terms and conditions of the Offer in accordance with the Takeovers Code will be sent by or on behalf of the Offeror to the shareholders of HKBLA.

An independent board committee of HKBLA will be constituted to consider the terms of the Offer and to make a recommendation to the shareholders of HKBLA. Independent financial adviser will be appointed to advise the independent board committee of HKBLA on the fairness and reasonableness of the Offer. An announcement will be made by HKBLA as soon as an independent financial adviser is appointed.

The Offer will only be made if completion of the sale and purchase of the Sale Share takes place. Completion of the sale and purchase of the Sale Share is subject to satisfaction or waiver of the conditions contained in the Agreement, and the Offer may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the HKBLA Shares.

Within 14 days after the date of posting of an offer document by the Offeror, HKBLA will despatch an offeree board circular in relation to the Offer to its shareholders. The offeree board circular to be despatched will contain, amongst other things, the information required under the Takeovers Code, a letter from the independent board committee of HKBLA and a letter from the independent financial adviser.

Pursuant to Rule 3.8 of the Takeovers Code, associates (within the meaning of the Takeovers Code) of HKBLA are reminded to disclose their dealings in any securities of HKBLA pursuant to the requirements under the Takeovers Code.

Pursuant to Note 11 to Rule 22 of the Takeovers Code, stockbrokers, banks and other intermediaries who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that such clients are aware of the disclosure obligations attaching to their associates and other persons under Rule 22 of the Takeovers Code and that such clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant provisions of the Takeovers Code. This, however, does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant securities undertaken for a client during any seven-day period is less than HK\$1,000,000. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to such dealings, including identities of clients, as part of such cooperation.

INFORMATION ABOUT AGL, APL AND SHK

AGL

AGL is a company incorporated in Hong Kong with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

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

APL

APL is a company incorporated in Hong Kong with limited liability. Its securities 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, the provision of financial services and the provision of healthcare services.

As at the date of this announcement, APL is beneficially owned as to approximately 74.93 per cent. by AGL.

SHK

SHK is a company incorporated in Hong Kong with limited liability. Its securities 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, capital markets, consumer finance as well as principal investments.

As at the date of this announcement, SHK is beneficially owned as to approximately 65.17 per cent. by APL.

INFORMATION ABOUT INFL AND HKBLA

INFL

INFL is a company incorporated in the B.V.I. with limited liability. It is an indirect non wholly-owned subsidiary of SHK.

The principal business activity of INFL is investment holding. HKBLA is the only investment of INFL. The principal business activities of the HKBLA Group are investment holding, treasury investments and the provision of mortgage finance and other related services.

HKBLA

HKBLA is a company incorporated in Hong Kong with limited liability. The HKBLA Shares are listed on the Main Board of the Stock Exchange.

The principal business activities of the HKBLA Group are investment holding, treasury investments and the provision of mortgage finance and other related services.

HKBLA is a direct non wholly-owned subsidiary of INFL. As at the date of this announcement, HKBLA is owned:

- (i) as to approximately 74.999 per cent. by INFL; and
- (ii) as to approximately 25.001 per cent. by the public shareholders of HKBLA.

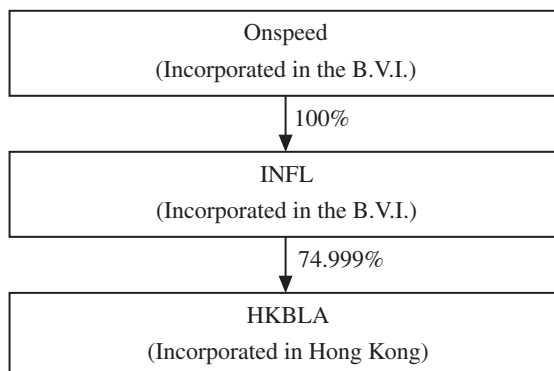
Audited consolidated profit of HKBLA for the two financial years ended 31st December, 2006 were:

- (i) approximately HK\$1,235,000 (before taxation) or approximately HK\$1,235,000 (after taxation) for the financial year ended 31st December, 2005; and
- (ii) approximately HK\$12,055,000 (before taxation) or approximately HK\$11,271,000 (after taxation) for the financial year ended 31st December, 2006.

As at 31st December, 2006, the audited consolidated net asset value of HKBLA was approximately HK\$231,881,000.

Group Chart

An overview of the corporate structure of Onspeed, INFL and HKBLA as at the date of this announcement is set out below:



INFORMATION ABOUT THE OFFEROR

The Offeror is a company incorporated in the B.V.I. with limited liability. The principal business activity of the Offeror is investment holding.

The AGL Directors, the APL Directors, the SHK Directors and the HKBLA Directors are advised that the Offeror is a wholly-owned subsidiary of Mercurius Partners, LLP which is in turn wholly and beneficially owned by family members of Mr. John Zwaanstra and a trust and the sole initial beneficiary thereof is wholly and beneficially owned by Mr. John Zwaanstra. Mr. John Zwaanstra is a professional investor who has extensive experience in investment management and securities analysis. Except for the entering into of the Agreement, the Offeror has not conducted any other business since incorporation.

REASONS FOR AND BENEFITS OF THE SALE AND PURCHASE OF THE SALE SHARE

For the year ended 31st December, 2006, the mortgage finance business for HKBLA recorded a revenue of approximately HK\$1,381,000 and a segment profit of approximately HK\$1,400,000, while the treasury investments recorded a revenue of approximately HK\$60,135,000 and a segment profit of approximately HK\$14,348,000. The mortgage finance market in Hong Kong remains highly competitive and the return on treasury investments always fluctuates in line with the volatility in the financial markets.

In addition, HKBLA's mortgage finance customers are quite distinct from the existing customer base of UAF and therefore there are little synergistic benefits between the consumer finance business of UAF and the mortgage finance business of HKBLA. Accordingly, the directors of UAF believe that the disposal of HKBLA would relieve its management resources to enable it to focus on the future development of the consumer finance business of UAF.

As HKBLA does not currently have any substantial active business operation, the disposal of HKBLA (through the sale of the Sale Share) will reduce the costs associated with maintaining HKBLA as a listed company within the SHK Group, and at the same time generate a profit estimated to be approximately HK\$18,532,000 attributable to the equity holders of SHK, on the basis of the audited consolidated net asset value of HKBLA as at 31st December, 2006. Such profit of approximately HK\$18,532,000 will be recorded as a gain by the SHK Group, and is

derived on the basis of the consideration of the disposal of a 74.999 per cent. interest in HKBLA less the carrying value of HKBLA in the consolidated accounts of SHK (including the goodwill to be released by SHK in its consolidated accounts). The profit attributable to the equity holders of APL is estimated to be approximately HK\$12,079,000, and is derived on the basis of the profit of approximately HK\$18,532,000 attributable to the equity holders of SHK and adjusted for minority interest in SHK.

Having regard to the nature of and the benefits resulting from the sale and purchase of the Sale Share, the AGL Directors, the APL Directors and the SHK Directors believe that the terms of the sale and purchase of the Sale Share are fair and reasonable and in the interests of the shareholders of each of AGL, APL and SHK taken as a whole.

The proceeds from the disposal of the Sale Share and the assignment of the Loan are intended to be applied by UAF for general working capital purposes.

The 74.999 per cent. interest in HKBLA was acquired by SHK (indirectly through the acquisition of UAF) on 24th August, 2006, with an original acquisition cost of approximately HK\$123,930,000.

Immediately following completion of the sale and purchase of the Sale Share, each of AGL, APL and SHK will cease to hold any interests in HKBLA, and HKBLA will cease to be a subsidiary of each of AGL, APL and SHK.

LISTING RULES IMPLICATIONS

The transactions contemplated in the Agreement constitute a discloseable transaction for APL, on the basis that the calculation of the consideration ratio is within the range of 5 per cent. and 25 per cent.

APL will despatch a circular to its shareholders as soon as practicable. The circular to be despatched by APL will contain, amongst other things, details of the terms of the Agreement.

As at the date of this announcement, Penta and its associates (as defined under the Listing Rules) are interested in 19,430,000 shares in APL, representing approximately 3.62 per cent. of the issued share capital of APL, and 149,288,000 shares in SHK, representing approximately 9.99 per cent. of the issued share capital of SHK.

To the best of the knowledge of the AGL Directors, the APL Directors and the SHK Directors, Penta and its ultimate owners are independent third parties not connected with each of AGL, APL and SHK, any of its subsidiaries or any of their respective associates (as defined under the Listing Rules) or any of the connected persons of each of AGL, APL and SHK, any of its subsidiaries or any of their respective associates (as defined under the Listing Rules).

AGL and SHK issue this announcement pursuant to Rule 13.09 of the Listing Rules.

RESUMPTION OF TRADING

Trading in the securities of AGL, APL, SHK and HKBLA on the Stock Exchange was suspended at their respective requests with effect from 9:30 a.m. on 14th May, 2007 pending the release of this announcement. AGL, APL, SHK and HKBLA have each applied for a resumption of trading in their respective securities with effect from 9:30 a.m. on 17th May, 2007.

DIRECTORS

AGL Directors

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

Executive Directors:

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

Non-executive Directors:

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

Independent non-executive Directors:

Mr. Wong Po Yan, Mr. David Craig Bartlett, Mr. John Douglas Mackie, Mr. Alan Stephen Jones

APL Directors

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

Executive Directors:

Mr. Patrick Lee Seng Wei (*Chief Executive*), Mr. Li Chi Kong

Non-executive Directors:

Mr. Arthur George Dew (*Chairman*), Mr. Henry Lai Hin Wing, Mr. Steven Lee Siu Chung

Independent non-executive Directors:

Mr. John Douglas Mackie, Mr. Steven Samuel Zoellner, Mr. Alan Stephen Jones

SHK Directors

As at the date of this announcement, the SHK Directors are:

Executive Directors:

Mr. Lee Seng Huang (*Chairman*), Mr. Joseph Tong Tang

Non-executive Director:

Mr. Patrick Lee Seng Wei

Independent non-executive Directors:

Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Mr. Carlisle Caldow Procter, Mr. Peter Wong Man Kong

HKBLA Directors

As at the date of this announcement, the HKBLA Directors are:

Executive Directors:

Mr. Akihiro Nagahara (*Chairman*), Mr. Stephen Lo Kam Fai (*Chief Executive*), Mr. Poon Mo Yiu

Independent non-executive Directors:

Mr. Chan Bo Ching, Mr. Li Chak Hung, Mr. Yuen Wai Ho

DEFINITIONS

“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, with its shares listed on the Main Board of the Stock Exchange
“AGL Directors”	directors of AGL
“Agreement”	the sale and purchase agreement dated 11th May, 2007 made between Onspeed, UAF and the Offeror, relating to the sale and purchase of the Sale Share and the assignment of the Loan
“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 AGL
“APL Directors”	directors of APL
“APL Group”	APL and its subsidiaries
“associates”	having the meaning ascribed to it under the Takeovers Code
“B.V.I.”	British Virgin Islands
“connected person”	having the meaning ascribed to it under the Listing Rules
“Executive”	Executive Director of the Corporate Finance Division of the Securities and Futures Commission, or any delegate of the Executive Director
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKBLA”	The Hong Kong Building and Loan Agency Limited, a company incorporated in Hong Kong with limited liability, with its shares listed on the Main Board of the Stock Exchange, and a direct non wholly-owned subsidiary of INFL
“HKBLA Directors”	directors of HKBLA
“HKBLA Group”	HKBLA and its subsidiaries
“HKBLA Shares”	shares of nominal value of HK\$1.00 each in the share capital of HKBLA
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“INFL”	Island New Finance Limited, a company incorporated in the B.V.I. with limited liability, and an indirect wholly-owned subsidiary of UAF
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the shareholder’s loan of HK\$192,852,975 advanced by Onspeed to INFL
“Offer”	the unconditional mandatory cash offer for all the issued shares in HKBLA other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code
“Offeror”	Mercurius Partners Investments Limited, a company incorporated in the B.V.I. with limited liability and a wholly-owned subsidiary of Mercurius Partners, LLP which is in turn wholly and beneficially owned by family members of Mr. John Zwaanstra and a trust and the sole initial beneficiary thereof is wholly and beneficially owned by Mr. John Zwaanstra
“Onspeed”	Onspeed Investments Limited, a company incorporated in the B.V.I. with limited liability, and a direct wholly-owned subsidiary of UAF
“Penta”	Penta Investment Advisers Limited, a company incorporated in the B.V.I. with limited liability and is wholly and beneficially owned by Mr. John Zwaanstra, and an existing shareholder of both APL and SHK
“Sale Share”	one share of US\$1.00 in the issued share capital of INFL, representing the entire issued share capital of INFL
“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 a non wholly-owned subsidiary of APL
“SHK Directors”	directors of SHK
“SHK Group”	SHK and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Code on Takeovers and Mergers

“UAF” United Asia Finance Limited, a company incorporated in Hong Kong with limited liability, and an indirect non wholly-owned subsidiary of SHK

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

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

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

On behalf of the Board
The Hong Kong Building and Loan Agency Limited
Stephen Lo Kam Fai
Executive Director

Hong Kong, 16th May, 2007

The directors of Allied Group Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of Allied Properties (H.K.) Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of Sun Hung Kai & Co. Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of The Hong Kong Building and Loan Agency Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.