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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

ANNOUNCEMENT LOAN TRANSACTION

Reference is made to the Previous Announcement in relation to the Previous Loan Agreement, pursuant to which, Itso (an indirect wholly-owned subsidiary of SHK) agreed to, among other things, make available to the Borrower the Previous Loan.

As advised and confirmed by SHK, on 12th February, 2015, the Lender (an indirect non wholly-owned subsidiary of SHK) as lender entered into the Loan Agreement with the Borrower, pursuant to which, the Lender agreed to, among other things, make available to the Borrower the Loan for the purpose of the Borrower's business purpose.

As the Lender is an indirect non wholly-owned subsidiary of SHK, which is an indirect non wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of the Company, the Transaction entered into by the Lender shall be a deemed transaction of each of the Company, APL and SHK under the Listing Rules as the definition of "listed issuer" under the Listing Rules shall include the listed issuer's subsidiaries.

The Transaction, on a stand-alone basis, does not constitute a notifiable transaction for each of the Company, APL and SHK on the basis that none of the percentage ratio(s) exceeds 5%. The Transaction, when aggregated with the Previous Transaction in accordance with the Listing Rules, constitutes a discloseable transaction for the Company on the basis that the relevant percentage ratio(s) of the Company exceeds 5% but is below 25%.

Reference is made to the Previous Announcement in relation to the Previous Loan Agreement, pursuant to which, Itso (an indirect wholly-owned subsidiary of SHK) agreed to, among other things, make available to the Borrower the Previous Loan.

As advised and confirmed by SHK, on 12th February, 2015, the Lender entered into the Loan Agreement with the Borrower, pursuant to which, the Lender agreed to, among other things, make available to the Borrower the Loan for the purpose of the Borrower's business purpose.

THE TRANSACTION

The Loan Agreement

Date: 12th February, 2015

Parties: (1) the Lender as the lender
(2) The Borrower as the borrower

As advised and confirmed by SHK, which has made all reasonable enquiries and based on the confirmations of the Borrower, Guarantor A and Guarantor B, and to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Borrower, Guarantor A, Guarantor B and its ultimate beneficial owner are all third parties independent of the Company, APL and SHK and their respective connected persons.

Principal terms of The Loan Agreement

As advised and confirmed by SHK, the principal terms of the Loan Agreement are as follows:

Loan amount: RMB15,000,000.

Term: 6 months from the date of disbursement of the Loan.

Purpose: The Loan shall be applied and used by the Borrower for the purpose of the Borrower's business purpose.

Interest rate: 1.86% per month.

Security: the Guarantee.

Guarantee

The Loan is secured by the Guarantee provided by Guarantor A and Guarantor B in favour of the Lender.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by SHK, the terms of the Loan Agreement, including the interest rate, were arrived at after arm's length negotiations between the Lender and the Borrower. Based on the confirmation of SHK, the Loan Agreement was entered into by the Lender on (i) the current market norm in relation to similar transactions; (ii) the costs of borrowing in providing the Loan to the Borrower; and (iii) the interest income to be generated by the Transaction. In addition, as advised and confirmed by SHK, the Transaction is part of the ordinary and usual course of business of the Lender. In view of the above, the SHK Exco is of the view that the terms of the Loan Agreement are on normal commercial terms and the Transaction is fair and reasonable, and in the interests of SHK and its shareholders taken as a whole.

Based on the information and the confirmation provided by SHK and to the best knowledge, information and belief of the Directors, the Directors consider that the Transaction is fair and reasonable and in the interests of the Company and its shareholders taken as a whole.

INFORMATION ABOUT THE COMPANY, THE LENDER, THE BORROWER, GUARANTOR A AND GUARANTOR B

The Company

The Company is a company 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, the provision of financial services and investments in listed and unlisted securities.

The Lender

As advised and confirmed by SHK, the Lender is a company incorporated in the PRC with limited liability. The principal business activity of the Lender is the provision of money lending service.

As at the date of this announcement, the Lender is an indirect non wholly-owned subsidiary of SHK, which is beneficially owned as to approximately 54.73% by APL, which in turn is owned as to approximately 74.99% by the Company.

The Borrower

As advised and confirmed by SHK, the Borrower is an individual.

Guarantor A

As advised and confirmed by SHK, Guarantor A is an individual.

Guarantor B

As advised and confirmed by SHK, Guarantor B is a company incorporated with limited liability in the PRC. The principal business activity of Guarantor B is property development.

LISTING RULES IMPLICATIONS

As the Lender is an indirect non wholly-owned subsidiary of SHK, which in turn is an indirect non wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of the Company, the Transaction entered into by the Lender shall be a deemed transaction of each of the Company, APL and SHK under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction, on a stand-alone basis, does not constitute a notifiable transaction for each of the Company, APL and SHK on the basis that none of the percentage ratio(s) exceeds 5%. The Transaction, when aggregated with the Previous Transaction in accordance with the Listing Rules, constitutes a discloseable transaction for the Company on the basis that the relevant percentage ratio(s) of the Company exceeds 5% but is below 25%.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 56 and Warrant Code: 1183) and a non wholly-owned subsidiary of the Company;
“Board”	the board of Directors;
“Borrower”	the borrower under the Previous Loan Agreement and the Loan Agreement;
“Company”	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);
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“Directors”	directors of the Company;
“Guarantee”	the irrevocable and unconditional guarantee dated 12th February, 2015 provided by Guarantor A and Guarantor B in favour of the Lender;
“Guarantor A”	one of the guarantors under the Guarantee;
“Guarantor B”	one of the guarantors under the Guarantee;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Itso”	Itso Limited, a company incorporated in Hong Kong with limited liability;

“Lender”	北京亞聯財小額貸款有限公司, a company incorporated in the PRC with limited liability, being the lender under the Loan Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan in the amount of RMB15,000,000 made available by the Lender to the Borrower on the terms and subject to the conditions set out in the Loan Agreement;
“Loan Agreement”	the loan agreement entered into between the Lender as lender and the Borrower as borrower dated 12th February, 2015, pursuant to which the Lender has agreed to make available the Loan to the Borrower pursuant to the terms therein;
“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;
“Previous Announcement”	the announcement dated 10th November, 2014 made by the Company;
“Previous Loan”	the loan in the amount of approximately HK\$378,000,000 made available by Itso to the Borrower on the terms and subject to the conditions set out in the Previous Loan Agreement;
“Previous Loan Agreement”	the loan agreement entered into between Itso as lender and the Borrower as borrower dated 10th November, 2014, pursuant to which Itso has agreed to make available the Previous Loan to the Borrower pursuant to the terms therein;
“Previous Transaction”	the transaction contemplated under the Previous Loan Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;

“SHK”	Sun Hung Kai & Co. 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: 86) and an indirect non wholly-owned subsidiary of each of the Company and APL;
“SHK Exco”	the executive committee of and with powers delegated from the board of directors of SHK;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction contemplated under Loan Agreement; and
“%”	per cent.

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

Hong Kong, 12th February, 2015

As at the date of this announcement, the Board comprises Messrs. Lee Seng Hui (Chief Executive), Edwin Lo King Yau and Mak Pak Hung being the Executive Directors; Mr. Arthur George Dew (Chairman) and Ms. Lee Su Hwei being the Non-Executive Directors; and Mr. David Craig Bartlett, Mr. Alan Stephen Jones and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.