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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)

PROFIT ALERT

Positive Alert on Profit from Continuing Operations

This announcement is made by Allied Group Limited (“**Company**”, together with its subsidiaries, “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of positive alert on profit from continuing operations made by the Company’s listed subsidiary, Sun Hung Kai & Co. Limited (“**SHK**”) on 23rd January, 2017 and the announcement of positive profit alert made by the Company’s listed associate, Tian An China Investments Company Limited (“**TACI**”) on 7th March, 2017. The board of directors of the Company (“**Board**”) wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on the current information available to the management of the Company and a preliminary review and assessment of the latest unaudited consolidated management accounts of the Group for the year ended 31st December, 2016 (“**Management Accounts**”), it is expected that the profit attributable to the owners of the Company (“**Attributable Profit**”) for the second half of 2016 will show a very substantial increase from the first half of 2016 due to the strong performance of the continuing operations. As a result, the Attributable Profit from continuing operations for the full year ended 31st December, 2016 will increase very substantially from HK\$1,659.2 million for the year ended 31st December, 2015.

The estimated increase in Attributable Profit from continuing operations in the second half of 2016 compared to the first half is mainly attributable to (i) the stronger performance of the SHK’s principal investments, (ii) a recovery of credit quality in SHK’s consumer finance business; (iii) an increased contribution from SHK’s structured finance business; and (iv) an increased contribution from TACI, which is driven by gains on disposal of certain of its subsidiaries and a gain arising from the purchase of approximately 90.65% interest in a listed company by TACI at a discount .

However, it is worth noting that the Attributable Profit for the whole 2016 year may not vary significantly from that of 2015. For the year ended 31st December, 2015, the Group's total Attributable Profit of HK\$2,983.2 million included Attributable Profit arising from a non-recurring gain from the sale of a 70% equity interest in Sun Hung Kai Financial Group Limited ("SHKFGL") and SHKFGL's profit contribution up to the date of sale amounting to HK\$1,324.0 million in aggregate.

The Company has yet to finalise the final results of the Group for the year ended 31st December, 2016. The information above is based only on a preliminary review of the Management Accounts which has not been reviewed or audited by the auditor of the Company and the actual results of the Group for the year ended 31st December, 2016 may be different from what is disclosed herein. Shareholders and potential investors are advised to read carefully the audited final results announcement of the Company for the year ended 31st December, 2016 which is expected to be issued before end of March 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Allied Group Limited
Arthur George Dew
Chairman

Hong Kong, 8th March, 2017

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.