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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
DISPOSAL OF SUBSIDIARY**

Reference is made to the announcements of Allied Group Limited (the “**Company**”) dated 24 August 2016 and 7 February 2017 in relation to the Disposal (the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

On 13 November 2017, the Vendor, the Purchaser and the Liquidators entered into a second supplemental agreement (the “**Second Supplemental Agreement**”) pursuant to which certain amendments shall be made to the Agreement dated 24 August 2016 and the Supplemental Agreement dated 7 February 2017 in the following manner:

1. the Long Stop Date shall be changed from 31 December 2017 to 30 September 2018. Therefore, if the conditions precedent set out in the Agreement (as supplemented by the Supplemental Agreement and the Second Supplemental Agreement) have not been satisfied (or waived) on or before 12:00 noon on 30 September 2018 (i.e. the new Long Stop Date), the Agreement shall cease and determine (save and except certain clauses as stated in the Agreement which shall continue to have full force and effect) and thereafter none of the parties to the Agreement shall have any obligations or liabilities towards each other thereunder save for any antecedent breaches of the terms thereof;

2. other than the existing conditions precedent stipulated in the Agreement, the Completion shall also be conditional upon the satisfaction of the following as an additional condition precedent:
 - the necessary resolution(s) having been passed by the shareholders of the Purchaser at the extraordinary general meeting to be convened and held to approve the proposed settlement of the indebtedness due to the Purchaser Creditors under the Scheme, which will constitute a special deal under the Takeovers Code; and
3. the Consideration of HK\$400,000,000 shall be satisfied by the Purchaser in cash to the Vendor within three Business Days upon Completion, instead of the payment method as stipulated in the Agreement and as disclosed in the announcement of the Company dated 24 August 2016.

Save as the above, there are no material changes to the Agreement and the Supplemental Agreement. The Board considers that the entering into of the Second Supplemental Agreement is fair and reasonable and in the interest of the Shareholders and the Group as a whole.

By order of the Board
Allied Group Limited
Edwin Lo King Yau
Executive Director

Hong Kong, 13 November 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.