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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)**

### **PROPOSED SHARE SUBDIVISION**

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The Board proposes to implement the Share Subdivision on the basis that every one (1) issued Existing Share be subdivided into twenty (20) Subdivided Shares. The Share Subdivision is conditional upon, among other things, the approval of the Shareholders at the EGM.

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. Upon the Share Subdivision becoming effective, the board lot size for trading in the Subdivided Shares will remain as 2,000 Subdivided Shares.

#### **GENERAL**

An ordinary resolution to approve the Share Subdivision and all matters relating thereto will be proposed at the EGM. A circular containing further details of the Share Subdivision and a notice convening the EGM will be despatched to the Shareholders on or before Wednesday, 12th August, 2020.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolution in relation to the proposed Share Subdivision at the EGM.

**Shareholders and potential investors should note that the Share Subdivision is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Subdivision” below in this announcement. Accordingly, the Share Subdivision may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## **PROPOSED SHARE SUBDIVISION**

The Board proposes to implement the Share Subdivision on the basis that every one (1) issued Existing Share be subdivided into twenty (20) Subdivided Shares.

### **Effects of the Share Subdivision**

As at the date of this announcement, 175,754,118 Existing Shares have been issued and are fully paid. Upon the Share Subdivision becoming effective and assuming that no Existing Shares are issued or bought back from the date of this announcement until the effective date of the Share Subdivision, 3,515,082,360 Subdivided Shares will be in issue.

Other than the expenses to be incurred in relation to the Share Subdivision, the implementation of the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

### **Status of the Subdivided Shares**

Upon the Share Subdivision becoming effective, the Subdivided Shares shall rank *pari passu* in all respects with each other. The Share Subdivision will not result in any change in the relative rights of the Shareholders.

### **Conditions of the Share Subdivision**

The Share Subdivision is conditional upon the satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Subdivision at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares.

Subject to the fulfilment of the conditions of the Share Subdivision, the effective date of the Share Subdivision is currently expected to be Monday, 7th September, 2020, being the second Business Day immediately following the date of the EGM.

Subject to the granting of listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange as well as compliance with the stock admission requirements of the HKSCC, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made by the Company for the Subdivided Shares to be admitted into CCASS established and operated by HKSCC.

## **Exchange of share certificates**

Subject to the Share Subdivision becoming effective, which is currently expected to be on Monday, 7th September, 2020, being the second Business Day immediately following the date of the EGM, the Shareholders may during the business hours, on or after Monday, 7th September, 2020 and until Thursday, 15th October, 2020 (both days inclusive) submit Existing Share Certificates in the colour of blue to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in exchange for New Share Certificates in the colour of purple for the Subdivided Shares at the expense of the Company.

Thereafter, Existing Share Certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each Existing Share Certificate submitted for cancellation or each New Share Certificate issued for the Subdivided Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Subdivision becoming effective, the Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period until 4:10 p.m. on Tuesday, 13th October, 2020, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will remain effective as documents of title to the Subdivided Shares on the basis of one (1) issued Existing Share for twenty (20) Subdivided Shares and may be exchanged for New Share Certificates at any time.

## **Listing application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares upon the Share Subdivision becoming effective.

## **Securities convertible or exchangeable into Existing Shares**

As at the date of this announcement, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Existing Shares.

## **Odd lots arrangement**

It is expected that the Share Subdivision will not result in any odd lots other than those already exist, and therefore no odd lots arrangement for matching the sale and purchase of odd lots will be made.

## **NO CHANGE IN BOARD LOT SIZE**

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. Upon the Share Subdivision becoming effective, the board lot size for trading in the Subdivided Shares will remain as 2,000 Subdivided Shares.

## REASONS FOR THE SHARE SUBDIVISION

Upon the Share Subdivision becoming effective, the total number of Shares in issue will increase and the trading price of each Share will be reduced proportionally. The Board believes that the Share Subdivision will improve the liquidity in trading of securities in the Company, thereby attracting more investors and widening the base of Shareholders. Accordingly, the Board considers that the Share Subdivision is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save for the expenses to be incurred by the Company in implementing the Share Subdivision, the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Directors believe that the Share Subdivision will not have any material adverse effect on the financial position of the Group.

## EXPECTED TIMETABLE

**The expected timetable for the implementation of the Share Subdivision and the associated trading arrangement is as follows:**

| <b>Events</b>   | <b>Time and Date</b>   |
|---|--|
| Expected despatch date of the circular with notice of the EGM .....   | Wednesday, 12th August, 2020   |
| Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM ..... | 4:30 p.m. on Friday, 28th August, 2020   |
| Closure of register of members for the entitlement to attend and vote at the EGM .....                            | Monday, 31st August, 2020 to Thursday, 3rd September, 2020 (both days inclusive) |
| Latest date and time for lodging forms of proxy for the EGM .....   | 10:00 a.m. on Tuesday, 1st September, 2020                                       |
| Expected date and time of the EGM .....   | 10:00 a.m. on Thursday, 3rd September, 2020                                      |
| Announcement of results of the EGM .....  | Thursday, 3rd September, 2020  |

**The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision:**

Effective date of the Share Subdivision . . . . . Monday, 7th September, 2020

First day of free exchange of  
Existing Share Certificates for  
New Share Certificates for the Subdivided Shares . . . . . Monday, 7th September, 2020

Commencement of dealing in  
the Subdivided Shares . . . . . 9:00 a.m. on Monday, 7th September, 2020

Original counter for trading in  
the Existing Shares in board lots of  
2,000 Existing Shares temporarily closes . . . . . 9:00 a.m. on Monday, 7th September, 2020

Temporary counter for trading in  
the Subdivided Shares in board lots of  
40,000 Subdivided Shares (in the form of  
Existing Share Certificates) opens . . . . . 9:00 a.m. on Monday, 7th September, 2020

Original counter for trading in  
the Subdivided Shares in board lots of  
2,000 Subdivided Shares  
(in the form of New Share Certificates for  
the Subdivided Shares) re-opens . . . . . 9:00 a.m. on Monday, 21st September, 2020

Parallel trading in the Subdivided Shares  
(in the form of Existing Share Certificates and  
New Share Certificates) commences . . . . . 9:00 a.m. on Monday, 21st September, 2020

Temporary counter for trading in  
the Subdivided Shares in board lots of  
40,000 Subdivided Shares (in the form of  
Existing Share Certificates) closes . . . . . 4:10 p.m. on Tuesday, 13th October, 2020

Parallel trading in the Subdivided Shares  
(in the form of Existing Share Certificates and  
New Share Certificates) ends . . . . . 4:10 p.m. on Tuesday, 13th October, 2020

Last day of free exchange of  
Existing Share Certificates for  
New Share Certificates for the Subdivided Shares . . . . . Thursday, 15th October, 2020

*Notes:*

1. All times and dates in this announcement refer to Hong Kong local times and dates.
2. Dates or deadlines specified above are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate in accordance with the Listing Rules.

## GENERAL

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To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolution in relation to the proposed Share Subdivision at the EGM.

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## DEFINITIONS

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

|                     |  |
|---------------------|--|
| “Board”             | board of Directors;  |
| “Business Day”      | a day (other than public holiday, a Saturday or Sunday) on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing in securities;  |
| “CCASS”             | the Central Clearing and Settlement System established and operated by the HKSCC;  |
| “Company”           | Allied Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (Stock Code: 373);  |
| “Directors”         | the directors of the Company;  |
| “EGM”               | the extraordinary general meeting of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 3rd September, 2020 at 10:00 a.m. (or any adjournment thereof), to be convened to consider, and if thought fit, approve the Share Subdivision; |
| “Existing Share(s)” | ordinary share(s) of the Company before the Share Subdivision becomes effective;   |

|                                 |   |
|---------------------------------|---|
| “Existing Share Certificate(s)” | share certificate(s) for the Existing Shares which are in the colour of blue;   |
| “Group”                         | the Company and its subsidiaries;   |
| “HK\$”                          | Hong Kong dollar(s), the lawful currency of Hong Kong;  |
| “HKSCC”                         | Hong Kong Securities Clearing Company Limited;  |
| “Hong Kong”                     | the Hong Kong Special Administrative Region of the People’s Republic of China;  |
| “Listing Rules”                 | Rules Governing the Listing of Securities on the Stock Exchange;  |
| “Main Board”                    | main board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange; |
| “New Share Certificate(s)”      | share certificate(s) for the Subdivided Shares which will be in the colour of purple;   |
| “Share(s)”                      | the Existing Share(s) and/or the Subdivided Share(s), as the case may be;   |
| “Shareholders”                  | holders of the Existing Shares or the Subdivided Shares, as the case may be;  |
| “Share Subdivision”             | the proposed share subdivision on the basis that every one (1) issued Existing Share be subdivided into twenty (20) Subdivided Shares;  |
| “Stock Exchange”                | The Stock Exchange of Hong Kong Limited; and  |
| “Subdivided Share(s)”           | ordinary share(s) of the Company immediately after the Share Subdivision becoming effective.  |

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

Hong Kong, 22nd July, 2020

*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, Ms. Lisa Yang Lai Sum and Mr. Kelvin Chau Kwok Wing being the Independent Non-Executive Directors.*