

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.



ALLIED GROUP LIMITED
(聯合集團有限公司)

(Incorporated in Hong Kong with limited liability)
(Stock Code: 373)

Discloseable Transaction



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

JOINT ANNOUNCEMENT

LOAN TRANSACTION

As advised and confirmed by SHK, on 6th September, 2012, SHKSFL (an indirect wholly-owned subsidiary of SHK) as lender entered into the Loan Agreement with the Borrower.

Pursuant to the Loan Agreement, SHKSFL has agreed to, among other things, lend to the Borrower a term loan in the limit up to HK\$339,300,000 for a term of 24 months from the date of drawdown pursuant to the Loan Agreement on the terms and subject to the conditions set out therein. The Loan is secured by the Mortgage.

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

The Transaction constitutes a discloseable transaction for each of APL and AGL on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%. As advised and confirmed by SHK, the Transaction does not constitute a notifiable transaction for SHK on the basis that none of the percentage ratio(s) exceeds 5%.

THE LOAN AGREEMENT

The Loan Agreement

Date: 6th September, 2012

Parties: (1) SHKSFL as the lender for the Loan Agreement
(2) The Borrower as the borrower for the Loan Agreement

As advised and confirmed by SHK, which has made all reasonable enquiries and based on the confirmation of the Borrower, and to the best knowledge, information and belief of AGL Directors and APL Directors, having made all reasonable enquiries, the Borrower and its ultimate beneficial owners are third parties independent of AGL, 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: up to HK\$339,300,000.

Term: 24 months from the date of drawdown pursuant to the Loan Agreement.

Purpose: The Loan shall be applied and used by the Borrower for its investment purposes but shall not be used in any ways to facilitate the acquisition of securities listed on any stock exchange and/or the continued holding of those securities and/or applied in such ways so as to render the provision of the Loan by SHKSFL to the Borrower to be within the definition of “securities margin financing” under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Interest: interest accrued on the Loan is charged at the Interest Rate and is payable by the Borrower monthly in arrears.

Security for the Loan: the Mortgage.

The Mortgage

The Loan is secured by the Mortgage created by the Borrower in favour of SHKSFL by way of first legal charge over the Bonds and Notes.

SHKSFL, as mortgagee, shall have rights, among other things, to dispose of and/or transfer to itself the Bonds and Notes mortgaged to it under Mortgage upon the occurrence of an event of default or upon the occurrence of any event which may lead to a default by the Borrower.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by SHK, the terms of the Loan Agreement were arrived at after arm's length negotiations between SHKSFL and the Borrower. Based on the confirmation of SHK, the Loan Agreement was entered into by SHKSFL having regard to (i) the costs of borrowing in providing the Loan to the Borrower; (ii) the interest income to be generated by the Transaction; and (iii) the underlying securities. In addition, as advised and confirmed by SHK, the Transaction is part of the ordinary and usual course of business of SHKSFL. 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 is in the interest of SHK and its shareholders taken as a whole.

Based on the information and the confirmation provided by SHK, the APL Directors have accepted the confirmation by SHK and therefore concur with the view of the SHK Exco and consider that the Transaction is in the interest of APL and its shareholders taken as a whole.

Based on the information and the confirmation provided by SHK, the AGL Directors have also accepted the confirmation by SHK and therefore concur with the view of the SHK Exco and consider that the Transaction is in the interest of AGL and its shareholders taken as a whole.

INFORMATION ABOUT AGL, APL, SHKSFL AND THE BORROWER

AGL

AGL 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 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, the provision of elderly care service, medical and aesthetic equipment distribution and investments in listed and unlisted securities.

APL

APL is a company incorporated in Hong Kong with limited liability, the securities of which 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, the provision of elderly care services and medical and aesthetic equipment distribution.

As at the date of this joint announcement, APL is beneficially owned as to approximately 74.97% by AGL.

SHKSFL

As advised and confirmed by SHK, SHKSFL is a company incorporated in Hong Kong with limited liability. The principal business activity of SHKSFL is the provision of loan finance. SHKSFL holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

As at the date of this joint announcement, SHKSFL is an indirect wholly-owned subsidiary of SHK, which in turn is beneficially owned as to approximately 54.36% by APL.

The Borrower

As advised and confirmed by SHK, the Borrower is a company incorporated in British Virgin Islands with limited liability. The principal business activity of the Borrower is investment holding.

LISTING RULES IMPLICATIONS

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

The Transaction constitutes a discloseable transaction for each of APL and AGL on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%. As advised and confirmed by SHK, the Transaction does not constitute a notifiable transaction for SHK on the basis that none of the percentage ratio(s) exceeds 5%.

DEFINITIONS

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

“AGL”	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);
“AGL Board”	board of AGL Directors;
“AGL Directors”	directors of AGL;
“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 AGL;
“APL Board”	board of APL Directors;

“APL Directors”	directors of APL;
“Bonds and Notes”	(i) the three bonds set out in the Mortgage, with a principal face value of US\$3,770,000, US\$13,400,000 and US\$1,996,000 respectively and (ii) the notes as set out in the Mortgage, with the nominal amount of US\$65,000,000;
“Borrower”	the borrower under the Loan Agreement;
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Interest Rate”	the interest rate set out in the Loan Agreement for the calculation of interest accrued on the Loan payable by the Borrower under the Loan Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the term loan in the limit up to HK\$339,300,000 which is made available by SHKSFL to the Borrower on the terms and subject to the conditions set out in the Loan Agreement;
“Loan Agreement”	the loan agreement dated 6th September, 2012 entered into between SHKSFL and the Borrower, pursuant to which SHKSFL as lender has agreed to make available the Loan to the Borrower pursuant to the terms therein;
“Mortgage”	the mortgage created by the Borrower as mortgagor in favour of SHKSFL as mortgagee over all the Bonds and Notes;
“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;
“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 a non wholly-owned subsidiary of each of AGL and APL;
“SHK Exco”	the executive committee of and with powers delegated from the board of directors of SHK;

“SHKSFL”	Sun Hung Kai Structured Finance Limited, a company incorporated in Hong Kong with limited liability, a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and an indirect wholly-owned subsidiary of SHK, being the lender under the Loan Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction contemplated under the Loan Agreement;
“US\$”	United States Dollars, the lawful currency of the United States of America; and
“%”	per cent.

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

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

Hong Kong, 6th September, 2012

As at the date of this joint announcement, the AGL 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 Messrs. Wong Po Yan, David Craig Bartlett and Alan Stephen Jones being the Independent Non-Executive Directors.

As at the date of this joint announcement, the APL Board comprises Messrs. Lee Seng Hui (Chief Executive), Li Chi Kong and Mark Wong Tai Chun being the Executive Directors; Mr. Arthur George Dew (Chairman) being the Non-Executive Director; and Messrs. Steven Samuel Zoellner, Alan Stephen Jones and David Craig Bartlett being the Independent Non-Executive Directors.