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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)



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)

JOINT VOLUNTARY ANNOUNCEMENT

This joint announcement is made by AGL and APL on a voluntary basis.

References are made to the announcements of TACI (an associate of APL, which in turn is a non-wholly owned subsidiary of AGL) dated 25th June, 2015, 7th August, 2015 and 27th August, 2015 and the circular of TACI dated 17th July, 2015 regarding disposal of a subsidiary of TACI (“Disposal”) constituting a major transaction for TACI.

THE DISPOSAL

On 24th June, 2015, the Vendor, an indirect wholly-owned subsidiary of TACI, entered into the Agreement with the Purchaser, pursuant to which (i) the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares; and (ii) the Vendor has agreed to sell and assign and the Purchaser has agreed to take up an assignment of the Sale Loan, at the Consideration of RMB3,200,000,000.

According to page 9 of the circular of TACI dated 17th July, 2015, TACI estimated that, as a result of the Disposal, TACI will recognise an estimated gain of approximately HK\$2,579.4 million (“Gain”), being the Consideration less the Sale Loan, net deficit of the Target Group, and other costs.

COMPLETION

TACI has announced that all conditions precedent to the Agreement have been satisfied (or waived) and the Completion took place on 27th August, 2015 in accordance with the terms and conditions of the Agreement. Upon Completion, TACI has ceased to hold any interest in the Target Group and the Target Group has ceased to be subsidiaries of TACI.

As TACI is an associate of APL, which in turn is a non wholly-owned subsidiary of AGL, the results of TACI, including the Gain, is equity accounted for by APL and AGL in accordance with HKGAAP and will be included in the financial results of APL and AGL for the year ending 31st December, 2015.

In respect of the equity accounting for the results shared from TACI as an associate by APL, the share of gain on the Disposal by APL was estimated to be approximately HK\$1,255.1 million, which is equivalent to the estimated gain of approximately HK\$2,579.4 million attributable to TACI being multiplied by 48.66%, the percentage of shareholding in TACI by APL.

The estimated gain on the Disposal attributable to AGL would be approximately HK\$940.2 million, which is derived from the gain of approximately HK\$1,255.1 million shared from TACI by APL less the non-controlling interests in APL of approximately HK\$314.9 million.

INFORMATION ABOUT AGL, APL AND TACI

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.

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.

As at the date of this joint announcement, APL is beneficially owned as to approximately 74.91% by AGL.

TACI

TACI is incorporated in Hong Kong with limited liability with its shares listed on the main board of the Stock Exchange.

As at the date of this joint announcement, TACI is beneficially owned as to approximately 48.66% by APL.

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”	the board of AGL Directors;
“AGL Directors”	directors of AGL;
“Agreement”	the sale and purchase agreement dated 24th June, 2015 made between the Vendor and the Purchaser relating to the sale and purchase of the Sale Shares and the Sale Loan;

“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”	the board of APL Directors;
“APL Directors”	directors of APL;
“Completion”	completion of sale and purchase of the Sale Shares and the Sale Loan in accordance with the Agreement;
“Consideration”	the total consideration in the sum of RMB3,200,000,000 payable by the Purchaser to the Vendor for the Disposal under the Agreement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKGAAP”	Hong Kong Generally Accepted Accounting Practice;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Purchaser”	Power Ample Investments Limited, a company incorporated in the British Virgin Islands with limited liability and the purchaser under the Agreement;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Sale Loan”	the shareholder’s loan in the amount of HK\$1,173,904,636.54 owed by the Target Company to the Vendor as at the date of the Agreement;
“Sale Shares”	2 issued shares representing the entire issued share capital of the Target Company, to be sold by the Vendor to the Purchaser pursuant to the Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TACI”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 28) and an associate of APL;
“Target Company”	All Happy International Limited, a company incorporated in the British Virgin Islands with limited liability, which was an indirect wholly-owned subsidiary of TACI before the Disposal;

“Target Group”

the Target Company, Teamlead Associates Limited, Regal Asset Investment Limited and 上海佘山鄉村俱樂部有限公司 (Shanghai Sheshan Country Club Company Limited*), the latter three companies being subsidiaries of the Target Company; and

“Vendor”

ACE Result Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of TACI, being the beneficial owner of the entire issued share capital of the Target Company and the vendor under the Agreement.

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, 4th September, 2015

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 Mr. David Craig Bartlett, Mr. Alan Stephen Jones and Ms. Lisa Yang Lai Sum 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.

* *for identification purpose only*