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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)**

**ALLIED OVERSEAS LIMITED**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 593)**

## **JOINT ANNOUNCEMENT**

### **LAPSE OF ACQUISITION AGREEMENT RELATING TO A VERY SUBSTANTIAL ACQUISITION FOR ALLIED OVERSEAS LIMITED; AND A DISCLOSEABLE TRANSACTION FOR ALLIED GROUP LIMITED AND ALLIED PROPERTIES (H.K.) LIMITED**

As advised and confirmed by AOL, the condition precedent relating to the receiving of the written approval by the Purchaser to be issued by or on behalf of the Treasurer of the Commonwealth of Australia has not been fulfilled as at the date of the extended Long Stop Date on 24th October, 2011. The parties to the Acquisition Agreement decided not to further extend the Long Stop Date, therefore the Acquisition Agreement shall lapse and save for any claims arising out of antecedent breach of the Acquisition Agreement, the parties shall have no further obligations to each other.

References are made to the joint announcement of Allied Group Limited (“AGL”), Allied Properties (H.K.) Limited (“APL”) and Allied Overseas Limited (“AOL”) dated 27th May, 2011 (“Joint Announcement”), the circular dated 28th July, 2011 issued by AOL, the announcement of the AOL Shareholders’ approval dated 16th August, 2011 and the announcement of AOL dated 23rd September, 2011 all in respect of the proposed acquisition of Target Companies involving 27.71% equity interest in the issued share capital of APAC Resources Limited. Capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement unless otherwise specified.

As advised and confirmed by AOL, as at the date of this joint announcement, the condition precedent relating to the receiving of the written approval by the Purchaser to be issued by or on behalf of the Treasurer of the Commonwealth of Australia stating that there are no objections under the Australian Government’s foreign investment policy and FATA to the transactions contemplated in the Acquisition Agreement has not been fulfilled. As the parties to the Acquisition Agreement decided not to further extend the Long Stop Date, the Acquisition Agreement shall lapse and save for any claims arising out of antecedent breach of the Acquisition Agreement, the parties shall have no further obligations to each other.

The AOL Board is of the view that the lapse of the Acquisition Agreement will allow AOL to revisit the transactions contemplated thereunder in the future at the prevailing commercial environment at any such time should the parties decide accordingly. The AOL Board will continue to seek investment opportunities which offer good growth prospects and offer enhancement of AOL Shareholders' value. However, given the volatility of the worldwide equity market and the expectation that the economic conditions may deteriorate, the AOL Board will exercise caution in identifying and evaluating any such investment opportunities. It is also the objective of AOL to ensure there are adequate funds to meet its liquidity in the short and long term. In view of the very low interest rate environment, AOL has since 2009 diversified its treasury operations into debt securities and fund investments that offer a better return to AOL Shareholders in addition to the holding of bank deposits. The debt securities already acquired by AOL are for terms exceeding 12 months and issued by reputable institutions in Hong Kong and China which are either issued for a specific term with remaining maturity period exceeding 12 months or in perpetual form and will be redeemable on their respective maturity dates or where applicable, callable on fixed call dates. Pending the identification of any new possible acquisitions, AOL will continue its treasury policy of investment in long term bonds and debt securities which provides a good return to AOL for the benefit of AOL Shareholders. AOL is presently also engaged in the provision of elderly care services and operates 6 elderly care homes with 1,299 beds. As at 30th June, 2011, the total number of employees (including full time and part time) was approximately 410. For the year ended 31st December, 2010, the audited revenue of the elderly care division was approximately HK\$100.9 million. In July 2011, AOL established LYNX Technology, a new division which acts as a distributor of medical equipment. The AOL Board will review its future dividend policy at the time of announcing its annual results in the coming financial year.

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

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

On behalf of AOL Board  
**Allied Overseas Limited**  
**Mark Wong Tai Chun**  
*Executive Director*

Hong Kong, 24th October, 2011

*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.*

*As at the date of this joint announcement, the AOL Board comprises Mr. Mark Wong Tai Chun (Chief Executive Officer) being the Executive Director; Mr. Arthur George Dew (Chairman) being the Non-Executive Director; and Messrs. Francis J. Chang Chu Fai (Deputy Chairman), Li Chak Hung and Carlisle Caldwell Procter being the Independent Non-Executive Directors.*