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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)

PROFIT WARNING

This announcement is made by Allied Group Limited (“**Company**”), together with its subsidiaries, “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of profit warning made by the Company’s listed subsidiary, Sun Hung Kai & Co. Limited (“**SHK**”) and the Company’s listed associates, APAC Resources Limited (“**APAC**”) and Tian An China Investments Company Limited (“**TACI**”) on 22nd July, 2020, 28th July, 2020 and 14th August, 2020 respectively. The board of directors of the Company (“**Board**”) wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on the current information available to the management of the Company and a preliminary review and assessment of the latest unaudited consolidated management accounts of the Group for the six months ended 30th June, 2020 (“**Management Accounts**”), it is expected that the profit attributable to the owners of the Company (“**Attributable Profit**”) for the six months ended 30th June, 2020 will have a significant decrease ranging from 80% to 90% as compared to the unaudited consolidated profit attributable to owners of the Company for the corresponding period in 2019.

The estimated decrease in Attributable Profit is mainly attributable to (i) mark-to-market losses in the financial instruments in the investing business of SHK as a result of significant market volatility; (ii) lower interest income and higher provisions for expected credit losses for the Group’s lending business during the on-going COVID-19 situation and market conditions; (iii) a net decrease in fair value of investment properties held by the Group instead of a net increase in fair value when compared to the corresponding period in 2019; (iv) decrease in contribution from TACI mainly due to a decrease in fair value of TACI’s investment properties and decrease in share of profit of TACI’s joint ventures; and (v) attributable loss on share of results of APAC.

As the Company is in the process of preparing the interim results of the Group for the six months ended 30th June, 2020 (“**Interim Results**”), the information above is based only on a preliminary review of the Management Accounts which have not been reviewed by the auditor or the audit committee of the Company. The Interim Results is expected to be published before end of August 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18th August, 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.