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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)**

**Discloseable Transaction**

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## **JOINT ANNOUNCEMENT**

### **LOAN TO THE BORROWER**

AGL and APL are advised by SHK that on 12th March, 2009, SHKSFL (an indirect wholly-owned subsidiary of SHK) as lender, entered into the Loan Agreement with the Borrower, an independent third party of SHK, APL and AGL, pursuant to which SHKSFL has agreed to make available to the Borrower the Loan (being a loan of up to HK\$400,000,000.00) for the general working capital of the Borrower. The obligations of the Borrower under the Loan Agreement are secured by the Debenture, pursuant to which the undertaking, property, assets and rights of the Borrower will be charged in favour of SHKSFL by way of a first floating charge as a continuing security according to the terms of the Debenture.

As SHKSFL is an indirect wholly-owned 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 also be deemed a 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. As advised and confirmed by SHK, none of the Percentage Ratios for SHK exceeds 5%, therefore SHK advised that it will not be subject to the disclosure obligation under Chapter 14 of the Listing Rules. Given that the relevant Percentage Ratio for each of APL and AGL exceeds 5% but under 25%, the transaction constitutes a discloseable transaction of APL and AGL respectively.

## **THE LOAN AGREEMENT**

Date: 12th March, 2009

Parties: (1) SHKSFL as lender  
(2) the Borrower

Based on the information and confirmation provided by SHK, and to the best knowledge, information and belief of the AGL Directors and APL Directors, each of the Borrower and its ultimate beneficial owner are independent third parties not connected with either AGL, APL or SHK and connected persons of AGL, APL or SHK.

Based on the information and confirmation provided by SHK and so far as is known to the AGL Directors and APL Directors, there are no prior transactions among AGL, APL, SHK, SHKSFL and the Borrower and its ultimate beneficial owner which are required to be aggregated with this transaction pursuant to Rules 14.22 and 14.23 of the Listing Rules.

### **Conditions Precedent**

Based on the information and confirmation provided by SHK and pursuant to the Loan Agreement, the advance of the Loan by SHKSFL is conditional on, inter alia, the due execution of the Debenture.

### **The Loan**

Based on the information and confirmation provided by SHK and pursuant to the Loan Agreement, SHKSFL agreed to provide a secured term loan to the Borrower of up to HK\$400,000,000.00 for the general working capital of the Borrower at the Interest Rate. In addition, an Arrangement Fee is payable by the Borrower to SHKSFL. Pursuant to the Loan Agreement, the Borrower will repay the Loan and interest accrued thereon to SHKSFL on 11th April, 2009 or on demand by SHKSFL and in addition, the Borrower has the right to repay earlier.

As advised and confirmed by SHK, the Interest Rate and the Arrangement Fee charged by SHKSFL on the Loan advanced to the Borrower under the Loan Agreement are arrived at on normal commercial terms with reference to the interest rate and arrangement fee charged by SHKSFL to other customers who are independent third parties.

### **Security of the Loan**

Based on the information and confirmation provided by SHK and pursuant to the Loan Agreement, the Loan is secured by the Debenture, pursuant to which, the undertaking, property, assets and rights of the Borrower are charged in favour of SHKSFL by way of a first floating charge as a continuing security according to the terms of the Debenture.

## **REASONS FOR AND BENEFIT OF THE TRANSACTION**

Based on the information and confirmation provided by SHK, the granting of the Loan is a transaction carried out as part of the ordinary and usual course of business of SHKSFL, which is a licensed money lender.

In view of the fact that the lending of money is within the ordinary and usual course of business of SHKSFL and the granting of the Loan is secured by the Debenture as a continuing security, SHK advises that the SHK Directors are of the view that the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable and the granting of the Loan is in the interest of the shareholders of SHK taken as a whole.

## **INFORMATION ABOUT AGL, APL, SHK, 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, health administration, medical scheme administration, the provision of healthcare services and the provision of financial services.

### **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, health administration, medical scheme administration, the provision of healthcare services and the provision of financial services.

As at the date of this announcement, APL is beneficially owned as to approximately 73.93% by AGL.

### **SHK**

SHK 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 SHK is investment holding. The principal business activities of its major subsidiaries are wealth management and brokerage, asset management, corporate finance, consumer finance as well as principal investments.

As at the date of this announcement, SHK is beneficially owned as to approximately 63.45% by APL.

## **SHKSFL**

As advised and confirmed by SHK, SHKSFL is a company incorporated in Hong Kong with limited liability. The principal business activities of SHKSFL are provision of loan finance and investment holding. 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 announcement, SHKSFL is an indirect wholly-owned subsidiary of SHK.

## **THE BORROWER**

Based on the information and confirmation provided by SHK, the Borrower is a company incorporated in the British Virgin Islands with limited liability. The principal business activity of the Borrower is investment holding. The Borrower is an independent third party of SHK, APL and AGL.

## **LISTING RULES IMPLICATIONS**

As SHKSFL is an indirect wholly-owned 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 also be deemed a 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. As advised and confirmed by SHK, none of the Percentage Ratios for SHK exceeds 5%, therefore SHK advised that it will not be subject to the disclosure obligation under Chapter 14 of the Listing Rules. Given that the relevant Percentage Ratio for each of APL and AGL exceeds 5% but under 25%, the transaction constitutes a discloseable transaction of APL and AGL respectively.

## **DEFINITIONS**

In this 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;
“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 and a non wholly-owned subsidiary of AGL;
“APL Directors”	directors of APL;
“Arrangement Fee”	the loan arrangement and documentation fee payable by the Borrower pursuant to the Loan Agreement;
“Borrower”	the borrower under the Loan Agreement;
“connected persons”	having the meaning ascribed to it under the Listing Rules;

“Debenture”	a first floating charge created by the Borrower in favour of SHKSFL over the undertaking, property, assets and rights of the Borrower;
“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 rate of interest to be charged under the Loan Agreement;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Loan”	the loan facility of up to Hong Kong dollars Four Hundred Million (HK\$400,000,000.00) which SHKSFL has agreed to lend to the Borrower under the Loan Agreement;
“Loan Agreement”	the loan agreement dated 12th March, 2009 entered into between SHKSFL as lender and the Borrower;
“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 securities of which are listed on the Main Board of the Stock Exchange and an indirect non wholly-owned subsidiary of AGL and APL;
“SHK Directors”	directors of SHK;
“SHKSFL”	Sun Hung Kai Structured Finance Limited, a company incorporated in Hong Kong with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

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

Hong Kong, 13th March, 2009

As at the date of this announcement, the AGL Directors are:

*Executive Directors:*

Messrs. Lee Seng Hui (Chief Executive), Edwin Lo King Yau and Mak Pak Hung

*Non-executive Directors:*

Mr. Arthur George Dew (Chairman) and Ms. Lee Su Hwei

*Independent non-executive Directors:*

Messrs. Wong Po Yan, David Craig Bartlett, John Douglas Mackie and Alan Stephen Jones

As at the date of this announcement, the APL Directors are:

*Executive Directors:*

Messrs. Patrick Lee Seng Wei (Chief Executive) and Li Chi Kong

*Non-executive Directors:*

Messrs. Arthur George Dew (Chairman), Henry Lai Hin Wing and Steven Lee Siu Chung

*Independent non-executive Directors:*

Messrs. John Douglas Mackie, Steven Samuel Zoellner and Alan Stephen Jones