

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this 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 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 TRANSACTIONS**

As advised and confirmed by SHK, on 27th January, 2010, SHKSFL (an indirect wholly-owned subsidiary of SHK) and SHKF (an indirect non wholly-owned subsidiary of SHK) as lenders entered into the First Loan Agreement with the First Borrower and the Second Loan Agreement and the Third Loan Agreement with the Second Borrower respectively.

Pursuant to the First Loan Agreement, SHKSFL has agreed to, among other things, make available to the First Borrower a loan of up to HK\$140,400,000 for a term of 3 months on the terms and subject to the conditions set out therein. The First Loan is secured by the Debenture and the Share Mortgage.

Pursuant to the Second Loan Agreement and the Third Loan Agreement, SHKF has agreed to, among other things, make available to the Second Borrower loans of up to HK\$64,000,000 and HK\$23,263,667 respectively both for a term of 3 months on the terms and subject to the conditions set out therein.

As SHKSFL and SHKF are both subsidiaries of SHK, which is an indirect non wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of AGL, the Transactions entered into by SHKSFL and SHKF shall be deemed transactions 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.

Each of the Transactions, on a stand alone basis, does not constitute discloseable transaction for each of APL and AGL on the basis that none of the Percentage Ratio(s) exceeds 5%. The Transactions, when aggregated together, constitute discloseable transactions 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 Transactions, each on a stand alone basis or when aggregated together, do not constitute notifiable transactions for SHK on the basis that none of the Percentage Ratio(s) exceeds 5%.

## **THE LOAN AGREEMENTS**

### **The First Loan Agreement**

**Date:** 27th January, 2010

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

### **The Second Loan Agreement and the Third Loan Agreement**

**Date:** 27th January, 2010

**Parties:** (1) SHKF as the lender for the Second Loan Agreement and the Third Loan Agreement  
(2) Second Borrower as the borrower for the Second Loan Agreement and the Third Loan Agreement

Based on the information and confirmation provided by SHK, which has made all reasonable enquiry and relied on the confirmation of the Borrowers, and to the best of the knowledge, information and belief of the AGL Directors and the APL Directors, having made all reasonable enquiries, the First Borrower and its ultimate beneficial owner, being the Second Borrower who is an individual, are third parties independent of AGL, APL and SHK and their respective connected persons.

### **Principal terms of the First Loan Agreement**

As advised and confirmed by SHK, the principal terms of the First Loan Agreement are as follows:

**Loan Amount:** up to HK\$140,400,000

**Term:** 3 months subject to extension as may be agreed between SHKSFL and the First Borrower

**Purpose:** the First Loan shall be used as general working capital of the First Borrower

**Interest:** interest accrued on the First Loan is charged at the First Loan Interest Rate and is payable by the First Borrower on the repayment date as set out in the First Loan Agreement

**Securities for the First Loan:** (1) The Debenture

The First Loan is secured by the Debenture created by the First Borrower in favour of SHKSFL by way of a first fixed and floating charge over all undertakings, properties, assets and rights of the First Borrower.

SHKSFL, as a chargee, shall have rights, among other things, to dispose of and/or take possession of the undertakings, properties, assets and rights of the First Borrower upon the occurrence of an event of default or upon the occurrence of any event which may lead to a default by the First Borrower.

(2) The Share Mortgage

The First Loan is also secured by the Share Mortgage created by the First Borrower in favour of SHKSFL by way of a first fixed mortgage over the entire issued share capital of the Subsidiary.

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

Other principal terms: a one-off non-refundable arrangement fee will be payable by the First Borrower to SHKSFL on the date of drawdown of the First Loan.

**Principal Terms of the Second Loan Agreement and the Third Loan Agreement**

As advised and confirmed by SHK, the principal terms of the Second Loan Agreement and the Third Loan Agreement are as follows:

Loan Amount: up to HK\$64,000,000 for the Second Loan  
up to HK\$23,263,667 for the Third Loan

Term: 3 months subject to extension as may be agreed between SHKF and the Second Borrower

Purpose: the Second Loan and the Third Loan shall be used as general working capital of the Second Borrower

Interest: interest accrued on the Second Loan and the Third Loan respectively is charged at the Second Loan Interest Rate and the Third Loan Interest Rate respectively and is payable by the Second Borrower monthly

Security for the Second Loan and the Third Loan: SHKF shall have the right at any time during the term of the Second Loan Agreement and the Third Loan Agreement to require the Second Borrower to provide and execute, immediately upon demand by SHKF and entirely at the Second Borrower's own cost and expenses, such security documents, including but not limited to debentures, and/or the share mortgages or such other security documents in such form and substance as SHKF in its sole and absolute discretion shall from time to time determine

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

As advised and confirmed by SHK, the terms of the First Loan Agreement were arrived at after arm's length negotiations between SHKSFL and the First Borrower. As advised and confirmed by SHK, the terms of the Second Loan Agreement and the Third Loan Agreement were arrived at after arm's length negotiations between SHKF and the Second Borrower. Based on the confirmation of SHK, the Loan Agreements were entered into by SHKSFL and SHKF having considered (i) the current market norm in relation to similar transactions; (ii) the costs of borrowing in providing the respective Loans to the respective Borrowers; and (iii) the interest income to be generated by each of the Transactions. In addition, as advised and confirmed by SHK, the Transactions are part of the ordinary and usual course of business of SHKSFL and SHKF. In view of the above, the SHK Exco is of the view that the terms of each of the Loan Agreements are on normal commercial terms and the Transactions are fair and reasonable, and are 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 Transactions are 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 Transactions are in the interest of AGL and its shareholders taken as a whole.

## **INFORMATION ABOUT AGL, APL, SHKF, SHKSFL, THE FIRST BORROWER AND THE SECOND 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 medical and healthcare services, the provision of financial services, and investments in listed and unlisted securities.

### **APL**

APL 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 APL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, the provision of medical and healthcare services and the provision of financial services.

As at the date of this announcement, APL is beneficially owned as to approximately 74.36% by AGL.

## **SHKF**

As advised and confirmed by SHK, SHKF is a company incorporated in Hong Kong with limited liability. The principal business activities of SHKF are money lending and investment holding. SHKF 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, SHKF is an indirect non wholly-owned subsidiary of SHK which in turn is beneficially owned as to approximately 62.31% 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 which in turn is beneficially owned as to approximately 62.31% by APL.

## **The First Borrower**

As advised and confirmed by SHK which has made all reasonable enquiry, the First Borrower is a company incorporated in the British Virgin Islands with limited liability and is the beneficial owner of the Subsidiary. The principal business activity of the First Borrower is investment holding.

## **The Second Borrower**

As advised and confirmed by SHK which has made all reasonable enquiry, the Second Borrower is an individual and the beneficial owner of the entire issued share capital of the First Borrower.

## **LISTING RULES IMPLICATIONS**

As SHKSFL and SHKF are both subsidiaries of SHK, which is an indirect non wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of AGL, the Transactions entered into by SHKSFL and SHKF shall be deemed transactions 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.

Each of the Transactions, on a stand alone basis, does not constitute discloseable transaction for each of APL and AGL on the basis that none of the Percentage Ratio(s) exceeds 5%. The Transactions, when aggregated together, constitute discloseable transactions 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 Transactions, each on a stand alone basis or when aggregated together, do not constitute notifiable transactions for SHK on the basis that none of the Percentage Ratio(s) exceeds 5%.

## 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 shares 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;
“Borrowers”	the First Borrower and the Second Borrower;
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“Debenture”	the debenture created by the First Borrower in favour of SHKSFL by way of a first fixed and floating charge over all undertakings, properties, assets and rights of the First Borrower;
“First Borrower”	the borrower under the First Loan Agreement;
“First Loan”	the loan in the amount of up to HK\$140,400,000 which is made available by SHKSFL to the First Borrower on the terms and subject to the conditions set out in the First Loan Agreement;
“First Loan Agreement”	the loan agreement dated 27th January, 2010 entered into between SHKSFL and the First Borrower, pursuant to which SHKSFL as lender has agreed to make available the First Loan to the First Borrower pursuant to the terms therein;
“First Loan Interest Rate”	the interest rate set out in the First Loan Agreement for the calculation of interest accrued on the First Loan payable by the First Borrower under the First Loan Agreement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Loan Agreements”	the First Loan Agreement, the Second Loan Agreement and the Third Loan Agreement;

“Loans”	the First Loan, the Second Loan and the Third Loan;
“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;
“Second Borrower”	the borrower, who is an individual and the beneficial owner of the entire issued share capital of the First Borrower, under the Second Loan Agreement and the Third Loan Agreement;
“Second Loan”	the loan in the amount of up to HK\$64,000,000 which is made available by SHKF to the Second Borrower on the terms and subject to the conditions set out in the Second Loan Agreement;
“Second Loan Agreement”	the loan agreement dated 27th January, 2010 entered into between SHKF and the Second Borrower, pursuant to which SHKF as lender has agreed to make available the Second Loan to the Second Borrower pursuant to the terms therein;
“Second Loan Interest Rate”	the interest rate set out in the Second Loan Agreement for the calculation of interest accrued on the Second Loan payable by the Second Borrower under the Second Loan Agreement;
“Share Mortgage”	the share mortgage created by the First Borrower as mortgagor in favour of SHKSFL as mortgagee over the entire issued share capital of the Subsidiary;
“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 and an indirect non wholly-owned subsidiary of AGL and APL;
“SHK Exco”	the executive committee of, and with powers delegated from, the board of directors of SHK;
“SHKF”	SHK 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 non wholly-owned subsidiary of SHK, being the lender under the Second Loan Agreement and the Third Loan Agreement;
“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 First Loan Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a direct wholly-owned subsidiary of the First Borrower;



“Third Loan”	the loan in the amount of up to HK\$23,263,667 which is made available by SHKF to the Second Borrower on the terms and subject to the conditions set out in the Third Loan Agreement;
“Third Loan Agreement”	the loan agreement dated 27th January, 2010 entered into between SHKF and the Second Borrower, pursuant to which SHKF as lender has agreed to make available the Third Loan to the Second Borrower pursuant to the terms therein;
“Third Loan Interest Rate”	the interest rate set out in the Third Loan Agreement for the calculation of interest accrued on the Third Loan payable by the Second Borrower under the Third Loan Agreement;
“Transactions”	the transactions contemplated under the Loan Agreements; 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, 28th January, 2010

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