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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)

DISCLOSEABLE TRANSACTION

ANNOUNCEMENT
LOAN TRANSACTION

As advised and confirmed by SHK, on 8th August, 2014, Itso (an indirect wholly-owned subsidiary of SHK) as the lender entered into Previous Loan Agreement A with Borrower A as the borrower and the Guarantor as the guarantor, pursuant to which, Itso agreed to, among other things, make available to Borrower A a loan of up to HK\$70,000,000 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, on 17th November, 2014, SHKSFL (an indirect wholly-owned subsidiary of SHK) as the lender entered into Previous Loan Agreement B with Borrower B as the borrower and the Guarantor as the guarantor, pursuant to which, SHKSFL agreed to, among other things, make available to Borrower B a loan of up to HK\$230,000,000 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, on 23rd December, 2015, SHKSFL as the lender entered into the Loan Agreement with the Borrower as the borrower, pursuant to which, SHKSFL agreed to, among other things, make available to the Borrower the Loan on the terms and subject to the conditions therein.

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 the Company, the Transaction entered into by SHKSFL shall be a transaction of each of the Company, APL and SHK under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction, on a stand-alone basis, does not constitute a notifiable transaction for the Company on the basis that none of the percentage ratio(s) exceeds 5%. The Transaction, when aggregated with the Previous Transactions, constitutes a discloseable transaction for the Company as the relevant percentage ratio(s) exceeds 5% but is below 25%.

As advised and confirmed by APL and SHK, the Transaction, on a stand-alone basis or when aggregated with the Previous Transactions in accordance with the Listing Rules, does not constitute a notifiable transaction for each of APL and SHK on the basis that none of the percentage ratio(s) exceeds 5%.

PREVIOUS TRANSACTIONS

Previous Loan Agreement A

As advised and confirmed by SHK, on 8th August, 2014, Itso (an indirect wholly-owned subsidiary of SHK) entered into Previous Loan Agreement A with Borrower A and the Guarantor, pursuant to which, Itso as the lender agreed to, among other things, make available to Borrower A a loan of up to HK\$70,000,000 at the interest of 6% per annum for a period of two years from the drawdown date thereunder on the terms and subject to the conditions therein for the purpose of repayment of a then existing indebtedness owed by a company.

Previous Loan Agreement B

As advised and confirmed by SHK, on 17th November, 2014, SHKSFL entered into Previous Loan Agreement B with Borrower B and the Guarantor, pursuant to which, SHKSFL as the lender agreed to, among other things, make available to Borrower B a loan of up to HK\$230,000,000 at the interest of 5.75% per annum for a period of eighteen months from the date of Previous Loan Agreement B on the terms and subject to the conditions therein for its general working capital. A non-refundable upfront processing fee at the rate of 0.25% flat on the loan of HK\$230,000,000 was paid by Borrower B to SHKSFL.

THE TRANSACTION

The Loan Agreement

Date: 23rd December, 2015

Parties: (1) SHKSFL as the lender for the Loan Agreement; and
(2) the Borrower as the borrower for the Loan Agreement.

As at the date of this announcement, so far as the Directors are aware and as advised and confirmed by SHK and also relying on the confirmations provided by the Borrower, the Guarantor's Subsidiaries, the Guarantor and Aveo, there exists the following relationships (the "**Disclosed Relationships**") between (i) the Borrower and (ii) the Company, APL, SHK and their ultimate beneficial owner(s), namely that:

1. Mr. Lee Seng Huang ("**Mr. Lee**") is one of the trustees of Lee and Lee Trust, being a discretionary trust;
2. Lee and Lee Trust is beneficially interested in approximately 73.88% of the total number of shares in issue of the Company;
3. Mr. Lee, a director and the Group Executive Chairman of SHK, is a director of the Borrower and Guarantor's Subsidiary A, the Executive Chairman of Mulpha International Berhad ("**MIB**") and Mulpha Australia Limited ("**MAL**"), and a director and the Non-Executive Chairman of AOG;
4. Mr. Lee's indirect interest together with the direct and indirect interests of his associates (within the meaning ascribed to this term under Chapter 14A of the Listing Rules) comprise approximately 40.3% of the total issued share capital of MIB;
5. the Borrower is owned as to 30% by Group Sino, which is wholly owned by Aveo Healthcare, which in turn is owned as to 14.36% by minority interests ("**Minority Interests**") and 85.64% by Aveo; and
6. Aveo is owned as to approximately 25.46% by MIB and its subsidiaries (including MAL, a wholly-owned subsidiary of MIB).

Having considered the Disclosed Relationships, the Directors are of the opinion that:

1. the Transaction is not a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules;

2. the independence of the Borrower and the Guarantor's Subsidiaries in entering into the Loan Agreement, the Share Mortgages and the Debentures is not impeded by the Disclosed Relationships as Mr. Lee cannot control the composition of all or the majority of the board of directors of each of the Borrower and the Guarantor's Subsidiaries.

Based on the information and confirmation provided by SHK, which has made reasonable enquiries and based on the confirmations of the Borrower, the Guarantor's Subsidiaries, the Guarantor and Aveo and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, other than as set out herein and save for the Guarantor Group's insignificant investment shareholdings in the Company, APL and SHK, the Borrower, the Guarantor's Subsidiaries and their ultimate beneficial owners, being (i) the substantial shareholders of the Guarantor (as defined under the Listing Rules) and (ii) Aveo Healthcare and the Minority Interests, are all third parties independent of the Company, APL and SHK and their respective connected persons.

Principal Terms of Loan Agreement

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

Loan amount:	approximately HK\$75,000,000
Non-refundable arrangement fee:	1% flat on the Loan amount
Repayment date:	12 months from the date of the Loan Agreement
Purpose:	the Loan shall be applied and used by the Borrower for its general working capital
Interest rate:	12% per annum
Security for the Loan:	(1) the Debentures; and (2) the Share Mortgages

The Debentures

As advised and confirmed by SHK, the Loan is secured by the Debentures by way of first fixed and floating charge over all the undertakings, property and/or assets of the Guarantor's Subsidiaries created by the Guarantor's Subsidiaries in favour of SHKSFL.

The Debentures and all security constituted or pursuant to the Debentures shall become immediately enforceable upon the occurrence of an event of default or the occurrence of any event which may lead to a default by the Borrower.

The Share Mortgages

As advised and confirmed by SHK, the Loan is secured by the Share Mortgages created by the Borrower, Guarantor's Subsidiary A and Guarantor's Subsidiary B by way of first fixed mortgage of the Shares.

SHKSFL, as mortgagee of the Share Mortgages, shall have rights, among other things, to transfer to itself the Shares upon execution of Share Mortgages and dispose of the Shares upon the occurrence of any event of default or the occurrence of any event which may lead to a default by the Borrower.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by SHK, the terms of the Loan Agreement, including the interest rate applicable, were arrived at after arm's length negotiations between SHKSFL and the Borrower having taken into account the prevailing market interest rates and practices. Based on the confirmation of SHK, the Loan Agreement was entered into by SHKSFL having regard to (i) the costs of borrowing in providing the Loan to the Borrower; (ii) the interest income to be generated by the Transaction; and (iii) the underlying securities. In addition, as advised and confirmed by SHK, the Transaction is part of the ordinary and usual course of business of SHKSFL. In view of the above, the SHK Exco is of the view that the terms of the Loan Agreement are on normal commercial terms and the Transaction is fair and reasonable, and in the interests of SHK and its shareholders taken as a whole.

Based on the information and the confirmation provided by SHK and to the best knowledge, information and belief of the Directors, the Directors consider that the Transaction is fair and reasonable and in the interests of the Company and its shareholders taken as a whole.

INFORMATION ABOUT THE COMPANY, SHKSFL, THE BORROWER AND THE GUARANTOR'S SUBSIDIARIES

The Company

The Company 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 the Company is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, the provision of finance and investments in listed and unlisted securities.

SHKSFL

As advised and confirmed by SHK, SHKSFL is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of SHK and is principally engaged in the business of provision of loan finance. SHKSFL holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

Borrower

As advised and confirmed by SHK, the Borrower is a company incorporated in the British Virgin Islands with limited liability, and is owned as to 30% by Group Sino, which is wholly owned by Aveo Healthcare, and 70% by the indirect wholly-owned subsidiaries of the Guarantor. The principal business activity of the Borrower is investment holding.

Guarantor's Subsidiary A

As advised and confirmed by SHK, Guarantor's Subsidiary A is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Borrower. The principal business activity of Guarantor's Subsidiary A is investment holding.

Guarantor's Subsidiary B

As advised and confirmed by SHK, Guarantor's Subsidiary B is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Guarantor's Subsidiary A. The principal business activity of Guarantor's Subsidiary B is investment holding.

Guarantor's Subsidiary C

As advised and confirmed by SHK, Guarantor's Subsidiary C is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Guarantor's Subsidiary B. The principal business activity of Guarantor's Subsidiary C is investment holding.

Guarantor’s Subsidiary D

As advised and confirmed by SHK, Guarantor’s Subsidiary D is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Guarantor’s Subsidiary B. The principal business activity of Guarantor’s Subsidiary D is investment holding.

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 the Company, the Transaction entered into by SHKSFL shall be a transaction of each of the Company, APL and SHK under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction, on a stand-alone basis, does not constitute a notifiable transaction for the Company on the basis that none of the percentage ratio(s) exceeds 5%. The Transaction, when aggregated with the Previous Transactions, constitutes a discloseable transaction for the Company as the relevant percentage ratio(s) exceeds 5% but is below 25%.

As advised and confirmed by APL and SHK, the Transaction, on a stand-alone basis or when aggregated with the Previous Transactions in accordance with the Listing Rules, does not constitute a notifiable transaction for each of APL and 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:

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| “AOG” | Aveo Group, a stapled security comprised of Aveo and Aveo Group Trust which is quoted on the Australian Securities Exchange; |
| “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 the Company; |

“Aveo”	a public company incorporated with limited liability in Australia, which forms part of AOG;
“Aveo Healthcare”	Aveo Healthcare Ltd., which is owned as to 14.36% by the Minority Interests and 85.64% by Aveo;
“Board”	the board of Directors;
“Borrower”	the borrower under the Loan Agreement, which is owned as to 70% by the indirect wholly-owned subsidiaries of the Guarantor and 30% by Group Sino;
“Borrower A”	the borrower under Previous Loan Agreement A and a wholly-owned subsidiary of the Guarantor;
“Borrower B”	the borrower under Previous Loan Agreement B and a wholly-owned subsidiary of the Guarantor;
“Company”	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);
“connected person(s)”	having the meaning ascribed to it under the Listing Rules;
“Debenture A”	the debenture created by Guarantor’s Subsidiary A in favour of SHKSFL by way of first fixed and floating charge over all the undertakings, property and assets of Guarantor’s Subsidiary A;
“Debenture B”	the debenture created by Guarantor’s Subsidiary B in favour of SHKSFL by way of first fixed and floating charge over all the undertakings, property and assets of Guarantor’s Subsidiary B;
“Debenture C”	the debenture created by Guarantor’s Subsidiary C in favour of SHKSFL by way of first fixed and floating charge over all the undertakings, property and assets of Guarantor’s Subsidiary C;

“Debenture D”	the debenture created by Guarantor’s Subsidiary D in favour of SHKSFL by way of first fixed and floating charge over all the undertakings, property and assets of Guarantor’s Subsidiary D;
“Debentures”	Debenture A, Debenture B, Debenture C and Debenture D;
“Directors”	directors of the Company;
“Group Sino”	Group Sino Investment Ltd., an indirect non wholly-owned subsidiary of Aveo, which is wholly owned by Aveo Healthcare;
“Guarantor”	a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange, being the guarantor under each of Previous Loan Agreement A and Previous Loan Agreement B;
“Guarantor Group”	the Guarantor and each of its subsidiaries;
“Guarantor’s Subsidiaries”	Guarantor’s Subsidiary A, Guarantor’s Subsidiary B, Guarantor’s Subsidiary C and Guarantor’s Subsidiary D;
“Guarantor’s Subsidiary A”	the chargor under Debenture A and the mortgagor under Share Mortgage B, being an indirect non wholly-owned subsidiary of the Guarantor;
“Guarantor’s Subsidiary B”	the chargor under Debenture B and the mortgagor under each of Share Mortgage C and Share Mortgage D, being an indirect non wholly-owned subsidiary of the Guarantor;
“Guarantor’s Subsidiary C”	the chargor under Debenture C, being an indirect non wholly-owned subsidiary of the Guarantor;
“Guarantor’s Subsidiary D”	being the chargor under Debenture D, being an indirect non wholly-owned subsidiary of the Guarantor;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Itso”	Itso Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SHK, being the lender under Previous Loan Agreement A;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan in the amount of approximately HK\$75,000,000 made available by SHKSFL to the Borrower on the terms and subject to the conditions set out in the Loan Agreement;
“Loan Agreement”	the loan agreement entered into between SHKSFL as the lender and the Borrower as the borrower dated 23rd December, 2015, pursuant to which SHKSFL as the lender has agreed to make available the Loan to the Borrower pursuant to the terms and conditions therein;
“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;
“Previous Loan Agreement A”	the loan agreement entered into between Itso as the lender, Borrower A as the borrower and the Guarantor as the guarantor dated 8th August, 2014, pursuant to which Itso has agreed to make available to Borrower A a loan of up to HK\$70,000,000 pursuant to the terms and conditions therein;
“Previous Loan Agreement B”	the loan agreement entered into between SHKSFL as lender, Borrower B as borrower and the Guarantor as the guarantor dated 17th November, 2014, pursuant to which SHKSFL has agreed to make available to Borrower B a loan of up to HK\$230,000,000 pursuant to the terms and conditions therein;

“Previous Transactions”	the transactions contemplated under Previous Loan Agreement A and Previous Loan Agreement B, which are subject to aggregation with the Transaction in accordance with the Listing Rules for determining the percentage ratio(s);
“Shares A”	the entire issued shares of Guarantor’s Subsidiary A;
“Shares B”	the entire issued shares of Guarantor’s Subsidiary B;
“Shares C”	the entire issued shares of Guarantor’s Subsidiary C;
“Shares D”	the entire issued shares of Guarantor’s Subsidiary D;
“Shares”	Shares A, Shares B, Shares C and Shares D;
“Share Mortgage A”	the mortgage created by the Borrower as the mortgagor in favour of SHKSFL as the mortgagee over Shares A;
“Share Mortgage B”	the mortgage created by Guarantor’s Subsidiary A as the mortgagor in favour of SHKSFL as the mortgagee over Shares B;
“Share Mortgage C”	the mortgage created by Guarantor’s Subsidiary B as the mortgagor in favour of SHKSFL as the mortgagee over Shares C;
“Share Mortgage D”	the mortgage created by Guarantor’s Subsidiary B as the mortgagor in favour of SHKSFL as the mortgagee over Shares D;
“Share Mortgages”	Share Mortgage A, Share Mortgage B, Share Mortgage C and Share Mortgage D;
“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 (Stock Code: 86) and an indirect non wholly-owned subsidiary of each of the Company and APL;

“SHK Exco”	the executive committee of and with powers delegated from the board of directors of SHK;
“SHKSFL”	Sun Hung Kai Structured Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SHK, being the lender under Previous Loan Agreement B and the Loan Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction contemplated under the Loan Agreement; and
“%”	per cent.

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

Hong Kong, 23rd December, 2015

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 and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.