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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 TO THE BORROWER

AGL is advised by SHK that on 8th April, 2009, SHKSFL (an indirect wholly-owned subsidiary of SHK) as lender, entered into the Loan Agreement with the Borrower and the Guarantors, independent third parties of SHK and AGL, pursuant to which SHKSFL has agreed to make available to the Borrower the Loan (being a loan of up to HK\$185,738,791.59) for the repayment of the outstanding indebtedness by the Borrower to SHKSFL under a loan agreement executed on 12th December, 2007. The obligations of the Borrower under the Loan Agreement are secured by (i) 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; (ii) the Share Mortgage (Borrower), pursuant to which all the issued shares of the Borrower are charged by the Borrower's Beneficial Owner in favour of SHKSFL according to the terms of the Share Mortgage (Borrower); (iii) the Share Mortgage (Subsidiary), pursuant to which all the issued shares of the Subsidiary, a wholly-owned subsidiary of the Borrower, are charged by the Borrower in favour of SHKSFL according to the terms of the Share Mortgage (Subsidiary); and (iv) the Deed of Guarantee, pursuant to which the Guarantors jointly and severally provide guarantees in favour of SHKSFL for the payment obligations of the Borrower under the Loan Agreement.

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 each of SHK and APL, none of the Percentage Ratios for each of SHK and APL exceeds 5%, therefore each of SHK and APL 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 AGL exceeds 5% but under 25%, the transaction constitutes a discloseable transaction of AGL.

THE LOAN AGREEMENT

Date: 8th April, 2009

- Parties: (1) SHKSFL as lender
- (2) the Borrower
- (3) the Guarantors

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

Based on the information and confirmation provided by SHK and so far as is known to the AGL Directors, there are no prior transactions among AGL, 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 Security Documents.

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\$185,738,791.59 at the Interest Rate for the repayment of the outstanding indebtedness by the Borrower to SHKSFL under a loan agreement executed on 12th December, 2007. In addition, the 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 December, 2010 or such other date as may be agreed by SHKSFL and the Borrower 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.

THE SECURITY DOCUMENTS

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 Security Documents as follows:

- (i) 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;
- (ii) the Share Mortgage (Borrower), pursuant to which all the issued shares of the Borrower are charged by the Borrower's Beneficial Owner in favour of SHKSFL according to the terms of the Share Mortgage (Borrower);
- (iii) the Share Mortgage (Subsidiary), pursuant to which all the issued shares of the Subsidiary, a wholly-owned subsidiary of the Borrower, are charged by the Borrower in favour of SHKSFL according to the terms of the Share Mortgage (Subsidiary); and
- (iv) the Deed of Guarantee, pursuant to which the Guarantors jointly and severally provide guarantees in favour of SHKSFL for the payment obligations of the Borrower under the Loan Agreement.

The Debenture

Based on the information and confirmation provided by SHK and pursuant to the Debenture, the indebtedness of the Borrower under the Loan Agreement is secured by a first floating charge in favour of SHKSFL over the undertaking, property, assets and rights of the Borrower, including all book and other debts, uncalled capital, goodwill, patents, patent applications, trade marks, trade names, registered designs, copyrights, licences and ancillary and connected rights of the Borrower. The Debenture is a continuing security.

The Share Mortgage (Borrower)

Based on the information and confirmation provided by SHK and pursuant to the Share Mortgage (Borrower), the indebtedness of the Borrower under the Loan Agreement is also secured by a share mortgage over 1,000 shares of US\$1.00 each of the Borrower, representing the entire issued share capital of the Borrower. The Share Mortgage (Borrower) is a continuing security.

The Share Mortgage (Subsidiary)

Based on the information and confirmation provided by SHK and pursuant to the Share Mortgage (Subsidiary), the indebtedness of the Borrower under the Loan Agreement is also secured by a share mortgage over 10,000 shares of US\$1.00 each of the Subsidiary, representing the entire issued share capital of the Subsidiary. The Share Mortgage (Subsidiary) is a continuing security.

The Deed of Guarantee

Based on the information and confirmation provided by SHK and pursuant to the Deed of Guarantee, the Guarantors agree to pay to SHKSFL, inter alia, all sums of money debts and liabilities (owing or incurred) due but unpaid to SHKSFL from or by the Borrower under the Loan Agreement.

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 Security Documents as a continuing security, SHK advises that it is 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, 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.

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, AGL is deemed to be interested in 63.45% of SHK.

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 and is the beneficial owner of the entire issued share capital of the Subsidiary.

The principal business activity of the Borrower is investment holding. The Borrower is an independent third party of SHK and AGL.

As at the date of this announcement, the Borrower is a direct wholly-owned subsidiary of the Borrower's Beneficial Owner.

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 each of SHK and APL, none of the Percentage Ratios for each of SHK and APL exceeds 5%, therefore each of SHK and APL 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 AGL exceeds 5% but under 25%, the transaction constitutes a discloseable transaction of AGL.

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;
"Arrangement Fee"	the loan arrangement and documentation fee payable by the Borrower pursuant to the Loan Agreement;
"Borrower"	the borrower under the Loan Agreement;
"Borrower's Beneficial Owner"	a company incorporated in the Cayman Islands with limited liability and the beneficial owner of the Borrower;
"connected persons"	having the meaning ascribed to it under the Listing Rules;

“Debenture”	the debenture dated 8th April, 2009 as a continuing security in relation to a first floating charge created by the Borrower in favour of SHKSFL over the undertaking, property, assets and rights of the Borrower;
“Deed of Guarantee”	the deed of guarantee dated 8th April, 2009 and executed by the Guarantors in favour of SHKSFL pursuant to which the Guarantors, jointly and severally, provide guarantees in favour of SHKSFL for the payment obligations of the Borrower under the Loan Agreement;
“Guarantors”	the guarantors under the Loan Agreement and the Deed of Guarantee;
“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 secured term loan of up to HK\$185,738,791.59 which SHKSFL has agreed to lend to the Borrower under the Loan Agreement;
“Loan Agreement”	the loan agreement dated 8th April, 2009 entered into between SHKSFL as lender, the Borrower and the Guarantors;
“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;
“Security Documents”	means (i) the Debenture; (ii) the Share Mortgage (Borrower); (iii) the Share Mortgage (Subsidiary); and (iv) the Deed of Guarantee;
“Share Mortgage (Borrower)”	a share mortgage dated 8th April, 2009 as a continuing security and executed by the Borrower’s Beneficial Owner in favour of SHKSFL in respect of the 1,000 shares at par value of US\$1.00 each representing the entire issued share capital of the Borrower;
“Share Mortgage (Subsidiary)”	a share mortgage dated 8th April, 2009 as a continuing security and executed by the Borrower in favour of SHKSFL in respect of the 10,000 shares at par value of US\$1.00 each representing the entire issued share capital of the Subsidiary;

“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;
“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;
“Subsidiary”	a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Borrower; and
“%”	per cent.

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

Hong Kong, 8th April, 2009

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 Messrs. Wong Po Yan, David Craig Bartlett, John Douglas Mackie and Alan Stephen Jones being the Independent Non-Executive Directors.