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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
Loan 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
Variation of Terms of Loan Transaction

JOINT ANNOUNCEMENT

Reference is made to an announcement of APL dated 29th September, 2009, relating to the First Amendment Agreement entered into between SHKF (an indirect non wholly-owned subsidiary of SHK) as lender and the Borrower to extend the repayment date under the Loan Agreement. As advised and confirmed by SHK, on 14th December, 2009, SHKF as lender entered into the Second Amendment Agreement with the Borrower, pursuant to which SHKF agreed to, among other things, further extend the repayment date under the Loan Agreement.

In relation to APL, this announcement is made pursuant to Rule 14.36 of the Listing Rules as the further extension of the repayment date constitutes a material variation of the terms under the Loan Agreement.

In relation to AGL, the Transaction constitutes a discloseable transaction on the basis that the relevant Percentage Ratio(s) for AGL exceeds 5% but is below 25%.

As advised and confirmed by SHK, the Transaction does not constitute a discloseable transaction for SHK on the basis that none of the Percentage Ratio(s) exceeds 5%.

THE SECOND AMENDMENT AGREEMENT

Date: 14th December, 2009

Parties: (1) SHKF as the Lender
(2) the Borrower

As advised and confirmed by SHK, which has made all reasonable enquiry and relied on the confirmations of the Borrower and the Guarantor, and to the best of the knowledge, information and belief of the AGL Directors and APL Directors, having made all reasonable enquiry, each of the Borrower, the Guarantor and their respective ultimate beneficial owner(s) are third parties independent of AGL, APL, SHK and their respective connected persons.

THE BACKGROUND TO THE SECOND AMENDMENT AGREEMENT

As advised and confirmed by SHK, pursuant to the Loan Agreement, the Lender had agreed to make available a term loan of HK\$39,000,000 to the Borrower with interest payable monthly. On 29th September, 2009, the Lender and the Borrower entered into the First Amendment Agreement to extend the repayment date from 30th September, 2009 to 30th December, 2009. As at the date of this announcement, the outstanding principal payable by the Borrower is in the sum of HK\$39,000,000. The Indebtedness shall be repaid by the Borrower on or before 30th December, 2009. The obligations of the Borrower under the Loan Agreement are secured by the Deed of Guarantee.

THE TERMS OF THE SECOND AMENDMENT AGREEMENT AND THE SECOND DEED OF ACKNOWLEDGEMENT AND CONFIRMATION

As advised and confirmed by SHK, pursuant to the Second Amendment Agreement, the Loan Agreement has now been further amended and supplemented, among other things, as follows:

- (1) the date of repayment of the Indebtedness shall be extended for a further term of 3 months from 30th December, 2009 to 30th March, 2010; and
- (2) a non-refundable fee is payable by the Borrower.

Save for the amendments in the Second Amendment Agreement, the provisions of the Loan Agreement and the rights and obligations thereunder shall remain in full force and effect.

As advised and confirmed by SHK, pursuant to the Second Deed of Acknowledgement and Confirmation, the Guarantor acknowledges and confirms that the Deed of Guarantee remains and continues to remain in full force and effect notwithstanding the further extension of the repayment date under the Loan Agreement and the execution of the Second Amendment Agreement, and that a non-refundable fee will be paid by the Guarantor to the Lender.

As advised and confirmed by SHK, the non-refundable fees charged by the Lender pursuant to (i) the Second Amendment Agreement, and (ii) the Second Deed of Acknowledgement and Confirmation are arrived at on normal commercial terms with reference to the non-refundable fees charged by the Lender to other customers who are independent third parties.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by SHK, the Transaction is carried out as part of the ordinary and usual course of business of SHKF which is a licensed money lender. The further extension of the repayment date for the repayment of the Indebtedness has been agreed after arm's length negotiations between the Lender and the Borrower having considered (i) information provided by the Borrower; (ii) overall terms and conditions of the Transaction; (iii) the current market situation; and (iv) the fact that the further extension of the repayment date of the Indebtedness is a normal commercial arrangement between a lender and a borrower and the obligations of the Borrower under the Loan Agreement (as supplemented by the Second Amendment Agreement) continue to be secured by the Deed of Guarantee. The SHK Exco considers that the Transaction is on normal commercial terms and the terms of the Second Amendment Agreement and the Second Deed of Acknowledgement and Confirmation are fair and reasonable and are in the interest of SHK and its shareholders taken as a whole. Based on the information provided and confirmation made by SHK, the APL Directors have accepted the confirmation and therefore concur with the view of the SHK Exco and consider that the terms of the Second Amendment Agreement and the Second Deed of Acknowledgement and Confirmation are in the interest of APL and its shareholders taken as a whole. The AGL Directors have also accepted the confirmation and therefore concur with the view of the SHK Exco and consider that the terms of the Second Amendment Agreement and the Second Deed of Acknowledgement and Confirmation are in the interest of AGL and its shareholders taken as a whole.

INFORMATION ABOUT AGL, APL, SHKF, THE BORROWER AND THE GUARANTOR

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, 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, 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 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.

The Borrower

As advised and confirmed by SHK which has made all reasonable enquiry and relied on the confirmation of the Borrower, the Borrower is a company incorporated under the laws of the Republic of Indonesia. The principal business activity of the Borrower is investment holding.

The Guarantor

As advised and confirmed by SHK which has made all reasonable enquiry and relied on the confirmation of the Guarantor, the Guarantor is a company incorporated in the Cayman Islands with limited liability. The principal business activity of the Guarantor is investment holding.

LISTING RULES IMPLICATIONS

In relation to APL, this announcement is made pursuant to Rule 14.36 of the Listing Rules as the further extension of the repayment date constitutes a material variation of the terms under the Loan Agreement.

In relation to AGL, the Transaction constitutes a discloseable transaction on the basis that the relevant Percentage Ratio(s) for AGL exceeds 5% but is below 25%.

As advised and confirmed by SHK, the Transaction does not constitute a discloseable transaction 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;
“Borrower”	the borrower under the Loan Agreement, the First Amendment Agreement and the Second Amendment Agreement;

“connected persons”	having the meaning ascribed to it under the Listing Rules;
“Deed of Acknowledgement and Confirmation”	the deed of acknowledgement and confirmation dated 29th September, 2009 executed by the Guarantor in favour of SHKF, pursuant to which the Guarantor acknowledges and confirms the continued validity and effectiveness of the Deed of Guarantee notwithstanding the extension of the repayment date under the Loan Agreement and the execution of the First Amendment Agreement;
“Deed of Guarantee”	the deed of guarantee dated 30th March, 2009 and executed by the Guarantor in favour of SHKF, pursuant to which the Guarantor agrees to make any payment or discharge of all or any of the monies, liabilities and obligations due and owing to the Lender by the Borrower under the Loan Agreement;
“First Amendment Agreement”	the first amendment agreement to the Loan Agreement dated 29th September, 2009 entered into between the Lender and the Borrower for, inter alia, the extension of the repayment date from 30th September, 2009 to 30th December, 2009;
“Guarantor”	the guarantor under the Deed of Guarantee, the Deed of Acknowledgement and Confirmation and the Second Deed of Acknowledgement and Confirmation;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Indebtedness”	the outstanding principal under the Loan Agreement, all interest accrued thereon and all other monies which may at any time during the existence of the Loan Agreement becomes payable by the Borrower to the Lender under or pursuant to or in connection with or otherwise related to the Loan Agreement;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Loan Agreement”	the loan agreement dated 30th March, 2009 (as supplemented by the First Amendment Agreement) entered into between the Lender and the Borrower pursuant to which a term loan of HK\$39,000,000 was granted by the Lender to the Borrower on the terms and conditions set out therein and as supplemented and amended from time to time;
“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 Amendment Agreement”	the second amendment agreement to the Loan Agreement dated 14th December, 2009 entered into between the Lender and the Borrower for, inter alia, the further extension of the repayment date from 30th December, 2009 to 30th March, 2010;
“Second Deed of Acknowledgement and Confirmation”	the second deed of acknowledgement and confirmation dated 14th December, 2009 executed by the Guarantor in favour of SHKF, pursuant to which the Guarantor acknowledges and confirms the continued validity and effectiveness of the Deed of Guarantee notwithstanding the further extension of the repayment date under the Loan Agreement and the execution of the Second Amendment Agreement;
“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” or “Lender”	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 Loan Agreement, the First Amendment Agreement and the Second Amendment Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction(s) contemplated under the Loan Agreement, the First Amendment Agreement, the Second Amendment Agreement, the Deed of Guarantee, the Deed of Acknowledgement and Confirmation and the Second Deed of Acknowledgement and Confirmation; 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, 15th December, 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