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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 IN RELATION TO THE SUBSCRIPTION OF THE FIVE-YEAR GUARANTEED 6.375% NOTE DUE 2017**

The Board is pleased to announce that the Subscriber has subscribed for and the Issuer has confirmed the allocation amount to the Subscriber on 18th September, 2012 of the First Tranche Note in the principal amount of US\$25 million (equivalent to approximately HK\$195 million) to be issued under the Note Programme.

As the relevant Percentage Ratio, being the consideration test, in respect of the Subscription is 5.62% (more than 5% but less than 25%), the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

On 15th June, 2012, SHK published an announcement in relation to the application to the Stock Exchange for the listing of the US\$2 billion Note Programme and any notes to be issued thereunder within 12 months after 13th June, 2012 by way of debt issues.

The Board is pleased to announce that the Subscriber has subscribed for and the Issuer has confirmed the allocation amount to the Subscriber on 18th September, 2012 of the First Tranche Note in the principal amount of US\$25 million (equivalent to approximately HK\$195 million) to be issued under the Note Programme.

#### **THE SUBSCRIPTION**

##### **Allocation date**

18th September, 2012

##### **Parties**

Issuer: Sun Hung Kai & Co. (BVI) Limited

Subscriber: AG Capital Limited

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and after having made all reasonable enquires, the Issuer is a wholly-owned subsidiary of SHK, which is held as to 54.36% by Allied Properties (H.K.) Limited, which in turn is a 74.97% owned subsidiary of the Company. The Issuer and SHK are not connected persons of the Company pursuant to the Listing Rules.

### **Subscription amount**

The total principal amount of the First Tranche Note allocated to the Subscriber is US\$25 million (equivalent to approximately HK\$195 million) out of the total issue of an aggregate principal amount of US\$350 million First Tranche Note, being part of the Note Programme. The subscription amount was satisfied by the Group's internal resources.

### **Principal terms of the Subscription Note**

Issue date	:	26th September, 2012
Issuer	:	Sun Hung Kai & Co. (BVI) Limited
Guarantor	:	SHK
Managers	:	Sun Hung Kai Investment Services Limited, Standard Chartered Bank and UBS AG, Hong Kong Branch
Registrar	:	Citigroup Global Markets, Deutschland AG
Issue Price	:	99.684% of the aggregate principal amount
Principal amount	:	Subscription by the Subscriber for US\$25 million out of the total issue amount of US\$350 million First Tranche Note under the Note Programme
Interest rate	:	6.375% per annum payable on principal amount by the Issuer in arrears semi-annually
Interest payment dates	:	26th March and 26th September in each year commencing 26th March, 2013
Maturity date	:	26th September, 2017
Listing	:	Application will be made for the listing of and permission to deal in the First Tranche Note on the Stock Exchange
Status	:	The First Tranche Note and the guarantee by the Guarantor will constitute unsubordinated and unsecured obligations of the Issuer and the Guarantor respectively

Voting rights : The holder of the First Tranche Note will not be entitled to attend or vote at any shareholder meeting of SHK by reason only of it being a holder of the First Tranche Note

Early redemption : Following the occurrence of a Change of Control, each holder of the First Tranche Note will have the right, at such holder's option, to require the Issuer (failing whom the Guarantor) to redeem all, or some only, of that holder's First Tranche Note at 101% of the aggregate principal amount of the First Tranche Note outstanding together with interest accrued.

The First Tranche Note may be redeemed at the option of the Issuer in whole, but not in part, at 100% of the outstanding principal amount (together with any interest accrued) if the Issuer (or, if the guarantee were called, the Guarantor) has or will become obliged to pay additional amounts of taxation as a result of any change in or amendment to the laws or regulations of the British Virgin Islands or Hong Kong or any other authority having power to tax additional amount to the Issuer and such obligation cannot be avoided by the Issuer.

Early redemption of the First Tranche Note on event of default or any other reasons other than Change of Control will be at 100% of the aggregate principal amount of the First Tranche Note outstanding together with interest accrued.

Final redemption : Unless previously redeemed and cancelled, the Issuer will redeem the First Tranche Note at its outstanding principal amount on the maturity date, i.e. 26th September, 2017.

## **Completion**

Completion of the Subscription is expected to take place on 26th September, 2012.

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

The Company has not participated in the negotiation of the terms of the issue of the First Tranche Note. The terms of the First Tranche Note were arrived at after arm's length negotiation between the Issuer and the Managers. The terms of the Subscription Note subscribed by the Subscriber are the same as those generally applicable to other First Tranche Note.

The Directors consider that the Subscription can provide the Subscriber with a satisfactory and stable return.

The Directors consider that the terms of the Subscription are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **INFORMATION ON THE SUBSCRIBER, THE COMPANY, THE ISSUER AND SHK**

### **The Subscriber**

The Subscriber is a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability. The principal activities of the Subscriber are securities trading and investment, money lending and provision of consultancy services.

### **The Company**

The Company is 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 financial services, the provision of elderly care service, medical and aesthetic equipment distribution and investments in listed and unlisted securities.

### **The Issuer**

The Issuer is a company incorporated under the laws of the British Virgin Islands with limited liability and is a wholly-owned subsidiary of SHK established for the purpose of issuing the Note Programme.

### **SHK**

The principal business activities of the SHK Group are wealth management and brokerage, capital markets, consumer finance and principal investments. As at the date of this announcement, SHK is beneficially owned as to 54.36% by Allied Properties (H.K.) Limited, a 74.97% owned subsidiary of the Company, whose shares are also listed on the Main Board of the Stock Exchange.

## **IMPLICATION UNDER THE LISTING RULES**

As the relevant Percentage Ratio, being the consideration test, in respect of the Subscription is 5.62% (more than 5% but less than 25%), the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“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)
“Change of Control”	occurs when: (i) the Controlling Shareholder ceases to have Control of the Guarantor; or (ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor’s assets to any person or persons other than the Controlling Shareholder (collectively or individually), unless the consolidation, merger, sale or transfer will not result in the Controlling Shareholder (collectively or individually) ceasing to have Control over the Guarantor or the successor entity
“Control”	the direct or indirect ownership of, or the power to control directly or indirectly, at least 35% of the voting rights of the issued share capital of the Guarantor
“Controlling Shareholder”	the trustees of the Lee and Lee Trust
“Director(s)”	the director(s) of the Company
“First Tranche Note”	the first tranche of the notes in the principal amount of US\$350 million to be issued under the Note Programme
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	Sun Hung Kai & Co. (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of SHK
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Managers”	Sun Hung Kai Investment Services Limited, Standard Chartered Bank and UBS AG, Hong Kong Branch
“Note Programme”	the guaranteed medium term note programme under which medium term notes for an aggregate principal amount of not exceeding US\$2 billion (equivalent to approximately HK\$15.6 billion) may be issued from time to time by the Issuer and guaranteed by SHK unconditionally and irrevocably

“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
“Shareholder(s)”	the holder(s) of Share(s)
“Share(s)”	ordinary share(s) of HK\$2.00 each in the issued share capital of the Company
“SHK” or “Guarantor”	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 the Company
“SHK Group”	SHK and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	AG Capital Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Subscription Note by the Subscriber in the principal amount of US\$25 million pursuant to the terms and conditions of the First Tranche Note
“Subscription Note”	US\$25 million principal amount of the First Tranche Note allocated to the Subscriber
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

*(The exchange rate used for the purpose of this announcement is at US\$1 = HK\$7.8)*

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

Hong Kong, 19th September, 2012

*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 and Alan Stephen Jones being the Independent Non-Executive Directors.*