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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)



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)

VOLUNTARY ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

JOINT ANNOUNCEMENT

ACQUISITIONS OF SHARES IN APAC RESOURCES LIMITED

ACQUISITIONS OF SHARES IN APAC

During the period from 6th April, 2016 to 21st June, 2016 (both days inclusive), the Purchaser, an indirect wholly-owned subsidiary of APL, has acquired on the market an aggregate of 30,960,000 APAC Shares (representing approximately 0.34% of the total issued share capital of APAC as at the date of this joint announcement) at an aggregate consideration of HK\$2,917,180.

LISTING RULES IMPLICATIONS

As the Purchaser is an indirect wholly-owned subsidiary of APL, which is in turn a non wholly-owned subsidiary of AGL, the Acquisitions shall also be a transaction of each of AGL and APL under Chapter 14 of the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

Pursuant to Rule 14.22 of the Listing Rules, the Previous Acquisition and the Acquisitions will be aggregated as these transactions involve the acquisition of equity interest in APAC and are completed within a 12-month period.

As the relevant percentage ratio(s) of APL in respect of the Previous Acquisition and the Acquisitions, when aggregated, exceeds 5% but is below 25%, the Previous Acquisition and the Acquisitions constitute a discloseable transaction for APL under Chapter 14 of the Listing Rules.

As disclosed in the Previous Announcements, the Previous Acquisition constituted a discloseable transaction for AGL. The Previous Acquisition and the Acquisitions, when aggregated, remain a discloseable transaction under Chapter 14 of the Listing Rules as the relevant percentage ratio(s) of AGL exceeds 5% but is below 25%. Therefore this joint announcement is made by AGL on a voluntary basis.

THE ACQUISITIONS

Reference is made to the Previous Announcements in relation to, amongst others, the Previous Acquisition.

During the period from 6th April, 2016 to 21st June, 2016 (both days inclusive), the Purchaser, an indirect wholly-owned subsidiary of APL, has acquired on the market an aggregate of 30,960,000 APAC Shares (representing approximately 0.34% of the total issued share capital of APAC as at the date of this joint announcement) at an aggregate consideration of HK\$2,917,180. The average price per each APAC Share was approximately HK\$0.094.

As the Acquisitions were made through the market, AGL and APL are not aware of the identities of the vendors of the Acquired Shares and accordingly, to the best of the knowledge, information and belief of the AGL Directors and the APL Directors having made all reasonable enquiries, the vendors of the Acquired Shares are third parties independent of AGL, APL and their respective connected persons (as defined under the Listing Rules).

Immediately following the Acquisitions, AGL and APL, through the Purchaser, an indirect wholly-owned subsidiary of APL, which is in turn a non wholly-owned subsidiary of AGL, own approximately 24.27% equity interest in APAC.

INFORMATION OF APAC

APAC is a company incorporated in Bermuda with limited liability and the securities of which are listed on the main board of the Stock Exchange. APAC Group is principally engaged in (i) trading and investment in listed securities with a portfolio primarily focused on natural resources and related sector and related industries; and (ii) trading in base metals and commodities.

Pursuant to the interim report of APAC for the six months ended 31st December, 2015 (the “**2015 Interim Report**”), APAC Group has two primary strategic investments, 27.02% interest in Mount Gibson Iron Limited (“**Mount Gibson**”), an Australian listed iron ore producer, and 21.70% interest in Metals X Limited (“**Metals X**”), an Australian listed emerging diversified mining company. Both Mount Gibson and Metals X are accounted for as associates in the financial statements of APAC Group. It is however noted that pursuant to an announcement made by APAC dated 1st June, 2016, APAC Group has decided to place its investment in Metals X under strategic review, pursuant to which strategic options, including a complete disposal of its shareholding interest in Metals X, will be considered (the “**Possible Disposal**”).

In addition, pursuant to the 2015 Interim Report, APAC Group also has a significant investment of 14.83% interest in ABM Resources NL (“**ABM Resources**”), an Australian listed gold production and exploration company.

The following is the consolidated financial information of APAC as extracted from its audited financial statements for the years ended 30th June, 2014 and 2015 respectively:

	For the year ended 30th June, 2015	For the year ended 30th June, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue	256,372	774,512
Net (loss) profit before taxation	(850,392)	912,653
Net (loss) profit after taxation	(847,926)	907,260
Net assets	1,927,713	3,129,201

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

As set out in the Previous Announcements, APL, through its wholly-owned subsidiary, already has investments in the resource industry in Australia and APAC has significant investments in Mount Gibson, Metals X and ABM Resources in Australia. The APL Board believes that the Previous Acquisition and the Acquisitions, despite the Possible Disposal which may or may not realise, represent a good opportunity for APL to enhance supervision of its resource investments and possibly later rationalisation of the holding structures with a view to achieving cost reductions and other synergies within the APL Group.

Given that the Acquisitions were made on the market at the prevailing market prices, the APL Directors consider that the Acquisitions were made on normal commercial terms, the terms of which are fair and reasonable and in the interests of APL and its shareholders as a whole.

To the best of the knowledge, information and belief of the AGL Directors, the AGL Directors consider that the Acquisitions are fair and reasonable and in the interests of AGL and its shareholders as a whole.

INFORMATION OF AGL, APL AND THE PURCHASER

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 finance 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 finance and investments in listed and unlisted securities.

As at the date of this joint announcement, APL is beneficially owned as to approximately 74.99% by AGL.

The Purchaser

The Purchaser is a company incorporated in the British Virgin Islands with limited liability. The principal business activity of the Purchaser is investment holding.

As at the date of this joint announcement, the Purchaser is an indirect wholly-owned subsidiary of APL.

LISTING RULES IMPLICATIONS

As the Purchaser is an indirect wholly-owned subsidiary of APL, which is in turn a non wholly-owned subsidiary of AGL, the Acquisitions shall also be a transaction of each of AGL and APL under Chapter 14 of the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

Pursuant to Rule 14.22 of the Listing Rules, the Previous Acquisition and the Acquisitions will be aggregated as these transactions involve the acquisition of equity interest in APAC and are completed within a 12-month period.

As the relevant percentage ratio(s) of APL in respect of the Previous Acquisition and the Acquisitions, when aggregated, exceeds 5% but is below 25%, the Previous Acquisition and the Acquisitions constitute a discloseable transaction for APL under Chapter 14 of the Listing Rules.

As disclosed in the Previous Announcements, the Previous Acquisition constituted a discloseable transaction for AGL. The Previous Acquisition and the Acquisitions, when aggregated, remain a discloseable transaction under Chapter 14 of the Listing Rules as the relevant percentage ratio(s) of AGL exceeds 5% but is below 25%. Therefore this joint announcement is made by AGL on a voluntary basis.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisitions”	the acquisition of an aggregate of 30,960,000 APAC Shares on the market during the period from 6th April, 2016 to 21st June, 2016 (both days inclusive)
“Acquired Shares”	an aggregate of 30,960,000 APAC Shares acquired by the Purchaser under the Acquisitions
“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 (Stock Code: 373)
“AGL Board”	the board of AGL Directors
“AGL Directors”	the directors of AGL

“APAC”	APAC Resources Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 1104)
“APAC Group”	APAC and its subsidiaries
“APAC Share(s)”	the ordinary shares of HK\$0.10 each in the issued share capital of APAC
“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 (Stock Code: 56) and a non wholly-owned subsidiary of AGL
“APL Board”	the board of APL Directors
“APL Directors”	the directors of APL
“APL Group”	APL and its subsidiaries
“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”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Acquisition”	the acquisition of 2,200,082,100 APAC Shares by the Purchaser, details of which have been disclosed in the Previous Announcements (discloseable transaction of AGL and voluntary announcement of APL)
“Previous Announcements”	the joint announcements of AGL and APL dated 16th December, 2015 and 29th February, 2016
“Purchaser”	Allied Properties Investments (1) Company Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of APL

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

On behalf of the AGL Board

Allied Group Limited

Edwin Lo King Yau

Executive Director

On behalf of the APL Board

Allied Properties (H.K.) Limited

Li Chi Kong

Executive Director

Hong Kong, 21st June, 2016

As at the date of this joint announcement, the AGL 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.

As at the date of this joint announcement, the APL Board comprises Messrs. Lee Seng Hui (Chief Executive), Li Chi Kong and Mark Wong Tai Chun being the Executive Directors; Mr. Arthur George Dew (Chairman) being the Non-Executive Director; and Messrs. Steven Samuel Zoellner, Alan Stephen Jones and David Craig Bartlett being the Independent Non-Executive Directors.