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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 DISPOSAL OF SUBSIDIARY

Reference is made to the announcement of Allied Group Limited (the “**Company**”) dated 24 August 2016 in relation to the Disposal (the “**Announcement**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

On 7 February 2017, the Vendor, the Purchaser and the Liquidators entered into a supplemental agreement (the “**Supplemental Agreement**”) pursuant to which certain amendments shall be made to the Agreement dated 24 August 2016 in the following manner:

1. the Long Stop Date shall be changed from 30 April 2017 to 31 December 2017. Therefore, if the conditions precedent set out in the Agreement (as supplemented by the Supplemental Agreement) have not been satisfied (or waived) on or before 12:00 noon on 31 December 2017 (i.e. the new Long Stop Date), the Agreement shall cease and determine (save and except certain clauses as stated in the Agreement which shall continue to have full force and effect) and thereafter none of the parties to the Agreement shall have any obligations or liabilities towards each other thereunder save for any antecedent breaches of the terms thereof;
2. other than the existing conditions precedent stipulated in the Agreement, the Completion shall also be conditional upon the satisfaction of the following as an additional condition precedent:
 - all of the conditions precedent to the Placing, Open Offer and the Capital Reorganisation having been fulfilled (save for the condition for the Agreement having becoming unconditional);

3. under the Supplemental Agreement, the Vendor further agrees to make an advance to the Purchaser in its absolute discretion in an amount of HK\$30,000,000 for the settlement of professional fees to be incurred by the Purchaser and/or the Liquidators in connection with the transactions contemplated under the Scheme, the Placing, the Open Offer, the Capital Reorganisation and the resumption of trading of the Purchaser Shares, and it is agreed among the parties that the Purchaser shall repay such loan to the Vendor who will be in the capacity of a general creditor of the Purchaser at an interest rate of 6% per annum; and
4. in addition to clause 3 above, the Vendor covenants that upon receipt of the bills from the sponsor of the Purchaser, the legal advisers to such sponsor, the valuers, reporting accountants and other parties as agreed by the Vendor from time to time, subject to the approval of the bills by the Vendor, the Vendor shall advance additional fund in the maximum aggregate amount of HK\$10,000,000 (or such other amount to be agreed by the parties in writing) for the settlement of such fees and such advance shall be repayable by the Purchaser at an interest rate of 6% per annum.

Save as the above, there are no material changes to the Agreement. The Board considers that the entering into of the Supplemental Agreement is fair and reasonable and in the interest of the Shareholders and the Group as a whole.

By order of the Board
Allied Group Limited
Edwin Lo King Yau
Executive Director

Hong Kong, 7 February 2017

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.