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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

ACQUISITION OF SHARES IN TACI

The Board announces that on 14th July, 2023, the Subsidiary acquired in aggregate 208,000 shares in TACI (representing approximately 0.01% of the total number of issued shares of TACI as at the date of this announcement) through on-market transactions conducted on the Stock Exchange for an aggregate consideration of approximately HK\$832,000 (exclusive of transaction costs), representing approximately HK\$4.00 per share.

Prior to the Acquisition, the Subsidiary acquired an aggregate of 71,651,000 shares in TACI within a 12-month period prior to the date of the Acquisition (representing approximately 4.89% of the total number of issued shares of TACI as at the date of this announcement) through on-market transactions conducted on the Stock Exchange for an aggregate consideration of approximately HK\$286,451,000 (exclusive of transaction costs), representing approximately HK\$4.00 per share.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) for the Acquisition does not exceed 5% on a stand-alone basis, the Acquisition is not subject to disclosure requirements under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratio for the Acquisition, when aggregated with the Previous Acquisitions which were conducted within 12 months of the Acquisition, is more than 5% but all are less than 25%, the Acquisition together with the Previous Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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After the Acquisitions, (i) the Group holds 817,128,096 shares in TACI, representing approximately 55.73% of the total number of issued shares of TACI as at the date of this announcement; and (ii) TACI remains to be an indirect non wholly-owned subsidiary of the Company and its financial results will remain consolidated in the Group's financial statements.

As the Acquisitions were conducted through the open market, the identity(ies) of the counterparty(ies) of the Acquisitions cannot be ascertained by the Group. However, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Directors believe that the counterparty(ies) and its/their ultimate beneficial owner(s) in the Acquisitions is/are Independent Third Parties.

CONSIDERATION

The aggregate consideration for the Acquisitions is approximately HK\$287,283,000 (exclusive of transaction costs) and shall be/have been (as the case may be) fully settled in cash from the Company's internal resources and bank borrowings.

The consideration of the Acquisitions were determined by reference to the prevailing trading prices of the shares of TACI on the Stock Exchange at the time of the relevant acquisitions.

INFORMATION ON THE COMPANY AND THE SUBSIDIARY

The Company

The Company is a company incorporated in Hong Kong with limited liability, and 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 development mainly comprising apartments, villas, office buildings and commercial properties, property investment, hospitality related activities, provision of elderly care services, property management, cleaning and security guarding services, logistics services, and the provision of finance, investments in listed and unlisted securities and funds management.

The Subsidiary

The Subsidiary is a company incorporated in British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company.

The principal business activity of the Subsidiary is investment holding.

INFORMATION ON TACI

TACI is a company incorporated in Hong Kong with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange.

The principal business activity of TACI is investment holding. The TACI Group is engaged principally in the development of apartments, villas, office buildings and commercial properties, property investment and property management on the mainland in the PRC, as well as property investment and property management in Hong Kong.

Set out below is the summary of financial information of the TACI Group for the two years ended 31st December, 2021 and 2022 as extracted from the annual report of TACI for the year ended 31st December, 2022:

	For the year ended 31st December, 2022 HK\$'000 (Audited)	For the year ended 31st December, 2021 HK\$'000 (Audited)
Profit before tax	2,284,877	2,622,843
Profit for the year	1,551,386	1,396,336

According to the annual report of TACI for the year ended 31st December, 2022, TACI had audited consolidated net assets attributable to the shareholders of TACI of approximately HK\$26,882,419,000 as at 31st December 2022.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

Having considered (i) the average consideration of the Acquisitions of approximately HK\$4.00 per share of TACI represented a discount of 78.19% to the audited consolidated net asset value attributable to the shareholders of TACI of approximately HK\$18.34 per share of TACI (based on the audited consolidated net assets attributable to the shareholders of TACI of approximately HK\$26,882,419,000 as at 31st December, 2022 and 1,466,069,491 shares of TACI in issue); (ii) the increased shareholding in TACI by the Company after the Acquisitions is likely to enhance the return of the Company; and (iii) the Acquisitions were traded at market price, the Directors (including the independent non-executive Directors) are of the view that the Acquisitions were fair and reasonable, on normal commercial terms and in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) for the Acquisition does not exceed 5% on a stand-alone basis, the Acquisition is not subject to disclosure requirements under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratio for the Acquisition, when aggregated with the Previous Acquisitions which were conducted within 12 months of the Acquisition, is more than 5% but all are less than 25%, the Acquisition together with the Previous Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of 208,000 shares in TACI in aggregate by the Subsidiary through on-market transactions conducted on the Stock Exchange on 14th July, 2023 for an aggregate consideration of approximately HK\$832,000 (exclusive of transaction costs);
“Acquisitions”	the Acquisition and the Previous Acquisitions;
“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);
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange;

“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People’s Republic of China;
“Previous Acquisitions”	the acquisitions of 71,651,000 shares in TACI in aggregate by the Subsidiary through on-market transactions conducted on the Stock Exchange within a 12-month period prior to the date of the Acquisition for an aggregate consideration of approximately HK\$286,451,000 (exclusive of transaction costs);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	China Elite Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of the Company;
“TACI”	Tian An China Investments Company 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: 28);
“TACI Group”	TACI and its subsidiaries; and
“%”	per cent.

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

Hong Kong, 14th July, 2023

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), Mr. Akihiro Nagahara (Vice Chairman) and Ms. Lee Su Hwei being the Non-Executive Directors; and Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Lisa Yang Lai Sum and Mr. Kelvin Chau Kwok Wing being the Independent Non-Executive Directors.