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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)



新鴻基有限公司

SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 86)

**JOINT ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
EXTENSION OF LOAN REPAYMENT DATE**

Reference is made to the Previous Announcement in relation to a loan transaction between the Lender (an indirect wholly-owned subsidiary of SHK), the Borrower, Guarantor A, Guarantor B and the Subsidiary. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Previous Announcement.

As advised and confirmed by SHK, on 23 February, 2015, the Lender entered into the Supplemental Loan Agreement with the Borrower, Guarantor A, Guarantor B and the Subsidiary, pursuant to which, the parties agreed to, among other things, vary the Set Off Parties by substituting Guarantor A and Guarantor B with Chargor A and Chargor B.

As advised and confirmed by SHK, on 22 September, 2015, the Lender entered into the Second Supplemental Loan Agreement with the Borrower, Guarantor A, Guarantor B and the Subsidiary, pursuant to which, the Lender agreed to, among other things, grant the Borrower the right to extend the repayment date for the Loan from 22 September, 2015 to 22 July, 2016. As at the date of the Second Supplemental Loan Agreement, HK\$700,000,000 of the Loan remained outstanding and due for repayment by the Borrower to the Lender.

As the Lender is an indirect wholly-owned subsidiary of SHK, which in turn is an indirect non wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of AGL, the Transaction entered into by the Lender is a transaction in respect of each of AGL, APL and SHK under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for each of AGL, APL and SHK on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%.

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THE TRANSACTION

As advised and confirmed by SHK, on 22 September, 2015, the Lender entered into the Second Supplemental Loan Agreement with the Borrower, Guarantor A, Guarantor B and the Subsidiary, pursuant to which, the Lender agreed to, among other things, grant the Borrower the right to extend the repayment date for the Loan from 22 September, 2015 to 22 July, 2016. As at the date of the Second Supplemental Loan Agreement, HK\$700,000,000 of the Loan remained outstanding and due for repayment by the Borrower to the Lender.

The Second Supplemental Loan Agreement

Date: 22 September, 2015

- Parties:
- (1) The Lender as the lender for the Second Supplemental Loan Agreement
 - (2) The Borrower as the borrower for the Second Supplemental Loan Agreement
 - (3) Guarantor A and Guarantor B as the guarantors for the Second Supplemental Loan Agreement
 - (4) The Subsidiary as a party to the Second Supplemental Loan Agreement

As at the date of this joint announcement, as advised and confirmed by SHK, which has made all reasonable enquiries and based on the confirmations of the Borrower, Guarantor A, Guarantor B, Chargor A, Chargor B and the Subsidiary, and to the best knowledge, information and belief of the AGL Directors, APL Directors and SHK Directors, having made all reasonable enquiries, the Borrower and its ultimate beneficial shareholders (those who are holding an interest of 10% or more of voting shares of the Borrower and their respective ultimate beneficial shareholders (where applicable)); and Chargor A, Chargor B, the Subsidiary, Guarantor A and Guarantor B, are all third parties independent of AGL, APL and SHK and their respective connected persons.

The Terms of the Second Supplemental Loan Agreement

As advised and confirmed by SHK, pursuant to the Second Supplemental Loan Agreement, the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement has now been amended and supplemented, inter alia, as follows:

Repayment date: 22 July, 2016

Additional security for the Loan: Share Mortgage (Subsidiary)

Conditions Precedent

The Transaction is conditional upon, among others, the Lender having received the Share Mortgage (Subsidiary) and the Deed of Undertaking.

Share Mortgage (Subsidiary) and Deed of Undertaking

The Loan is secured by the Share Mortgage (Subsidiary) created by the Subsidiary in favour of the Lender by way of first fixed mortgage of the Shares and other security interests in the Securities Account. The Lender, as mortgagee, shall have rights, among other things, to transfer to itself the Shares upon execution of the Share Mortgage (Subsidiary) and dispose of the Shares upon the occurrence of an event of default or the occurrence of any event which may lead to a default by the Borrower.

As advised and confirmed by SHK, if the Mortgaged Shares constitute less than 51% of the entire issued share capital of the Listed Company during the term of the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement and the Second Supplemental Loan Agreement, the Subsidiary undertakes to deposit additional shares of the Listed Company into the Securities Account which shall become subject to the Share Mortgage (Subsidiary) and/or Chargor A, pursuant to the Deed of Undertaking, shall execute the Share Mortgage (Chargor A) over the Converted Shares in favour of the Lender such that the Mortgaged Shares shall constitute no less than 51% of the entire issued share capital of the Listed Company immediately thereafter.

Save for the amendment made by the Second Supplemental Loan Agreement, the provisions of the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement and the rights and obligations thereunder shall remain in full force and effect.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by SHK, the terms of the Second Supplemental Loan Agreement, including the interest rate applicable, were arrived at after arm's length negotiations between the Lender and the Borrower having taken into account the prevailing market interest rates and practices. Based on the confirmation of SHK, the Second Supplemental Loan Agreement was entered into by the Lender having regard to (i) the costs of borrowing in providing the Loan to the Borrower; (ii) the interest income to be generated by the Transaction; and (iii) the underlying securities. In addition, as advised and confirmed by SHK, the Transaction is part of the ordinary and usual course of business of the Lender. In view of the above, the SHK Directors are of the view that the terms of the Second Supplemental Loan Agreement are on normal commercial terms and the Transaction is fair and reasonable, and in the interests of SHK and its shareholders taken as a whole.

Based on the information and the confirmation provided by SHK and to the best knowledge, information and belief of the APL Directors, the APL Directors consider that the Transaction is fair and reasonable and in the interests of APL and its shareholders taken as a whole.

Based on the information and the confirmation provided by SHK and to the best knowledge, information and belief of the AGL Directors, the AGL Directors consider that the Transaction is fair and reasonable and in the interests of AGL and its shareholders taken as a whole.

As advised and confirmed by APL, on 22 September, 2015, the Borrower executed a deed of confirmation in favour of the Introducer pursuant to which, the Borrower agreed to, among other things, pay to the Introducer directly a referral fee of HK\$14,000,000 for the extension of the Loan on or before 23 September, 2015 .

INFORMATION ABOUT AGL, APL, SHK, THE LENDER, THE BORROWER, GUARANTOR A, GUARANTOR B, THE SUBSIDIARY, CHARGOR A, CHARGOR B AND THE INTRODUCER

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 securities 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 74.91% by AGL.

SHK

SHK 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 SHK is investment holding. The principal business activities of its major subsidiaries are structured finance, consumer finance and principal investments.

As at the date of this joint announcement, SHK is beneficially owned as to approximately 55.24% by APL.

The Lender

As advised and confirmed by SHK, the Lender is a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of SHK and is principally engaged in provision of loan finance and securities trading. The Lender holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

The Borrower

As advised and confirmed by SHK, the Borrower is a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange. The principal business activities of the Borrower are research and development, manufacturing, production, distribution, sales and/or leasing of batteries, battery management systems, battery packs, battery charging equipment, energy storage system, and/or other related products or applications and/or electric vehicles and/or their related core components and/or providing solutions or consultation to energy storage and/or various battery or electric vehicle business projects and/or any ancillary businesses.

Guarantor A

As advised and confirmed by SHK, Guarantor A is an individual.

Guarantor B

As advised and confirmed by SHK, Guarantor B is an individual.

The Subsidiary

As advised and confirmed by SHK, the Subsidiary is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Borrower. The principal business activity of the Subsidiary is investment holding.

Chargor A

As advised and confirmed by SHK, Chargor A is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Borrower. The principal business activity of Chargor A is investment holding.

Chargor B

As advised and confirmed by SHK, Chargor B is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Borrower. The principal business activity of Chargor B is investment holding.

The Introducer

As advised and confirmed by APL, the Introducer is a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the APL and is principally engaged in the provision of management and consultancy services.

LISTING RULES IMPLICATIONS

As the Lender is an indirect wholly-owned subsidiary of SHK, which in turn is an indirect non wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of AGL, the Transaction entered into by the Lender is a transaction in respect of each of AGL, APL and SHK under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for each of AGL, APL and SHK on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%.

DEFINITIONS

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

“Affiliate(s)”	a subsidiary of the Lender or a holding company of the Lender or any other subsidiary of that holding company;
“Converted Shares”	the shares of the Listed Company converted from the Convertible Bonds by Chargor A pursuant to the Deed of Undertaking;
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of HK\$750,000,000 issued by the Listed Company and registered in the name of Chargor A;
“Deed of Undertaking”	the deed of undertaking in relation to the Convertible Bonds dated 22 September, 2015 given by Chargor A in favour of the Lender;
“Introducer”	AP Administration Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of APL;
“Mortgaged Shares”	the aggregate shares of the Listed Company which are subject to the Share Mortgage (Subsidiary) and the Share Mortgage (Chargor A) (if any) from time to time;
“Previous Announcement”	the announcement dated 22 December, 2014 jointly made by AGL, APL and SHK;
“Second Supplemental Loan Agreement”	the second supplemental loan agreement entered into between the Lender as the lender and the Borrower as the borrower, Guarantor A and Guarantor B as the guarantors and the Subsidiary dated 22 September, 2015;

“Securities Account”	the securities account in the name of the Subsidiary opened and maintained with SHKIS;
“Set Off Clause”	the set off clause under the Loan Agreement relating to the right of the Lender to apply all or any of the securities which is the subject of any of the security documents under the Loan Agreement towards satisfaction of, and to set off any sum or sums standing to the credit of all or any account(s) of the Set Off Parties opened with the Lender and/or its Affiliates against, the liabilities of the Set Off Parties to the Lender and/or its Affiliates;
“Set Off Parties”	the parties who are subject to the Lender’s right under the Set Off Clause, being the Borrower, Guarantor A, Guarantor B and the Subsidiary prior to the amendment made to the Loan Agreement by the Supplemental Loan Agreement;
“Share Mortgage (Chargor A)”	the mortgage to be or may be created by Chargor A as mortgagor in favour of the Lender as mortgagee over the Converted Shares;
“Share Mortgage (Subsidiary)”	the mortgage dated 22 September, 2015 created by the Subsidiary as mortgagor in favour of the Lender as mortgagee over the Shares and other security interests in the Securities Account;
“Shares”	2,640,000,000 shares of the Listed Company;
“SHKIS”	Sun Hung Kai Investment Services Limited, a company incorporated in Hong Kong with limited liability, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and a 30%-owned associate of SHK;

“Supplemental Loan Agreement” the supplemental loan agreement entered into between the Lender as the lender, the Borrower as the borrower, Guarantor A and Guarantor B as guarantors, and the Subsidiary dated 23 February, 2015; and

“Transaction” the transaction contemplated under the Second Supplemental Loan Agreement.

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

On behalf of the SHK Board
Sun Hung Kai & Co. Limited
Joseph Tong Tang
Executive Director

Hong Kong, 22 September, 2015

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.

As at the date of this joint announcement, the SHK Board comprises Messrs. Lee Seng Huang (Group Executive Chairman), Simon Chow Wing Charn, Joseph Tong Tang and Peter Anthony Curry being the Executive Directors; Mr. Ahmed Mohammed Aqil Qassim Alqassim (Mr. Joseph Kamal Iskander as his alternate) being the Non-Executive Director; and Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Jacqueline Alee Leung and Mr. Peter Wong Man Kong being the Independent Non-Executive Directors.