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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)

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 non wholly-owned subsidiary of SHK) as lender and the Borrower as borrower and another loan transaction between Lender A (an indirect wholly-owned subsidiary of APL) as lender and the Guarantor as borrower. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcement.

As advised and confirmed by APL, on 12th March, 2019, Lender A as lender entered into Supplemental Loan Agreement A with the Guarantor as borrower, pursuant to which Lender A agreed to, among other things, extend the repayment date of Loan A under Loan Agreement A from 11th March, 2019 to 11th June, 2019 on the terms and subject to the conditions therein. As at the date of Supplemental Loan Agreement A, HK\$100,000,000 has been drawn and remained outstanding and due to be repaid by the Guarantor to Lender A.

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

The Transaction, on a stand-alone basis, does not constitute a notifiable transaction for AGL on the basis that none of the percentage ratio(s) exceeds 5%. The Transaction, when aggregated with the Previous Transaction in accordance with the Listing Rules, constitutes a discloseable transaction for AGL on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%.

As advised and confirmed by APL, the Transaction, on a stand-alone basis and when aggregated with the Previous Transaction in accordance with the Listing Rules, does not constitute a notifiable transaction under Chapter 14 of the Listing Rules for APL on the basis that none of the percentage ratios exceeds 5%.

Reference is made to the Previous Announcement in relation to a loan transaction between the Lender (an indirect non wholly-owned subsidiary of SHK) as lender and the Borrower as borrower and another loan transaction between Lender A (an indirect wholly-owned subsidiary of APL) as lender and the Guarantor as borrower. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcement.

As advised and confirmed by APL, on 12th March, 2019, Lender A as lender entered into Supplemental Loan Agreement A with the Guarantor as borrower, pursuant to which Lender A agreed to, among other things, extend the repayment date of Loan A under Loan Agreement A from 11th March, 2019 to 11th June, 2019 on the terms and subject to the conditions therein. As at the date of Supplemental Loan Agreement A, HK\$100,000,000 has been drawn and remained outstanding and due to be repaid by the Guarantor to Lender A.

THE SUPPLEMENTAL LOAN AGREEMENT A

Date: 12th March, 2019

Parties: (1) Lender A as the lender for Supplemental Loan Agreement A; and
(2) the Guarantor as the borrower for Supplemental Loan Agreement A.

As advised and confirmed by APL, to the best knowledge, information and belief of the APL Directors having made all reasonable enquiries and based on the confirmations of the Guarantor and Guarantor A, and to the best knowledge, information and belief of the AGL Directors having made all reasonable enquiries, the Guarantor and Guarantor A are third parties independent of APL and AGL and their respective connected persons.

THE TERMS OF SUPPLEMENTAL LOAN AGREEMENT A

As advised and confirmed by APL, pursuant to Supplemental Loan Agreement A, upon satisfaction of all conditions precedent under Supplemental Loan Agreement A, Loan Agreement A will be amended and supplemented, inter alia, as follows:

Repayment date: 11th June, 2019

Interest rate:

- (i) 1.5705% per month for the first month from the drawdown date;
- (ii) 1.5% per month thereafter until 10th March, 2019;
- (iii) 10.0896% per annum for the period between 11th March, 2019 and 17th March, 2019 (both dates inclusive); and
- (iv) 2.7375% per annum thereafter.

As advised and confirmed by APL, save for the amendment in Supplemental Loan Agreement A, the provisions of Loan Agreement A 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 APL, the terms of Supplemental Loan Agreement A, including the interest rates applicable, were arrived at after arm's length negotiations between Lender A and the Guarantor having taken into account the prevailing market interest rates and practices. Based on the confirmation of APL, Supplemental Loan Agreement A was entered into by Lender A having regard to (i) the costs of borrowing in providing Loan A to the Guarantor; and (ii) the interest income to be generated by the Transaction. In view of the above, the APL Directors are of the view that the terms of Supplemental Loan Agreement A are on normal commercial terms and 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 APL 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.

PREVIOUS TRANSACTION

As advised and confirmed by SHK, on 20th December, 2018, the Lender (an indirect non wholly-owned subsidiary of SHK) as lender entered into the Loan Agreement with the Borrower as borrower, pursuant to which, the Lender agreed to, among other things, make available to the Borrower the Loan, with interest rate of 20% per annum for the first Interest Period and 18% per annum thereafter for both the First Drawdown and the Second Drawdown and repayment date on the date falling twelve months from the date of the First Drawdown on the terms and subject to the conditions therein.

INFORMATION ABOUT AGL, APL, LENDER A, THE GUARANTOR AND GUARANTOR A

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, elderly care services, 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, elderly care services, the provision of finance and investments in listed and unlisted securities.

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

Lender A

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

The Guarantor

As advised and confirmed by APL, the Guarantor is an individual and the sole shareholder of the Borrower.

Guarantor A

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

LISTING RULES IMPLICATIONS

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

The Transaction, on a stand-alone basis, does not constitute a notifiable transaction for AGL on the basis that none of the percentage ratio(s) exceeds 5%. The Transaction, when aggregated with the Previous Transaction in accordance with the Listing Rules, constitutes a discloseable transaction for AGL on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%.

As advised and confirmed by APL, the Transaction, on a stand-alone basis and when aggregated with the Previous Transaction in accordance with the Listing Rules, does not constitute a notifiable transaction under Chapter 14 of the Listing Rules for APL on the basis that none of the percentage ratios exceeds 5%.

DEFINITIONS

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

“APL Directors”	directors of APL;
“Guarantor”	an individual guarantor under the Deed of Guarantee, the mortgagor under Share Mortgage (Borrower), the sole shareholder of the Borrower, the assignor under the Assignment and the borrower under Loan Agreement A as amended by Supplemental Loan Agreement A;

“Guarantor A”	an individual guarantor under a deed of guarantee, pursuant to which, Guarantor A agreed to guarantee the due and punctual performance of the obligations of the Guarantor as the borrower under Loan Agreement A as amended by Supplemental Loan Agreement A;
“Lender A”	AP Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of APL, being the lender under Loan Agreement A as amended by Supplemental Loan Agreement A;
“Loan A”	the loan in the amount of HK\$100,000,000, made available by Lender A to the Guarantor on the terms and subject to the conditions set out in Loan Agreement A as amended by Supplemental Loan Agreement A;
“Previous Announcement”	the joint announcement dated 20th December, 2018 of AGL and SHK;
“Previous Transaction”	the transactions contemplated under the Loan Agreement;
“Supplemental Loan Agreement A”	the supplemental loan agreement to Loan Agreement A entered into between Lender A as lender and the Guarantor as borrower on 12th March, 2019; and
“Transaction”	the transaction contemplated under Supplemental Loan Agreement A.

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

Hong Kong, 12th March, 2019

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.