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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)**

## **JOINT ANNOUNCEMENT**

### **DISCLOSEABLE TRANSACTION**

#### **LOAN TRANSACTION**

As advised and confirmed by SHK, on 9th October, 2014, the Lender (an indirect wholly-owned subsidiary of SHK) entered into the Loan Agreement with the Borrower, pursuant to which, the Lender agreed to, among other things, make available to the Borrower Loan A on the terms and subject to the conditions therein.

As advised and confirmed by SHK, on 18th November, 2015, the Lender entered into the Supplemental Loan Agreement with the Borrower, pursuant to which, the Lender agreed to, among other things, make available to the Borrower Loan B on the terms and subject to the conditions therein. As at the date of the Supplemental Loan Agreement, HK\$300,000,000 of Loan A remained outstanding and due for repayment by the Borrower to the Lender.

As the Lender is an indirect wholly-owned subsidiary of SHK, which 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 shall be a deemed transaction 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, on a stand-alone basis, does not constitute a notifiable transaction for each of AGL and APL 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 each of AGL and APL on the basis that the relevant percentage ratio(s) of each of AGL and APL exceeds 5% but is below 25%. As advised and confirmed by SHK, the Transaction, on a stand-alone basis or when aggregated with the Previous Transaction, does not constitute a notifiable transaction for SHK on the basis that none of the percentage ratio(s) exceeds 5%.

## **PREVIOUS TRANSACTION**

As advised and confirmed by SHK, on 9th October, 2014, the Lender (an indirect wholly-owned subsidiary of SHK) entered into the Loan Agreement with the Borrower, pursuant to which, the Lender agreed to, among other things, make available to the Borrower Loan A on the terms and subject to the conditions therein.

### **The Loan Agreement**

Date: 9th October, 2014

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

### **Principal terms of the Loan Agreement**

As advised and confirmed by SHK, the principal terms of the Loan Agreement are as follows:

Loan amount: HK\$300,000,000 (“**Loan A**”).

Repayment date: 10th October, 2016.

Interest: 6% per annum.

Purpose: the Loan shall be applied and used by the Borrower for its general working capital and including investment purposes but shall not be used in any ways to facilitate the acquisition of securities listed on any stock exchange and/or the continued holding of those securities and/or applied in such ways so as to render the provision of the Loan by the Lender to the Borrower to be within the definition of “securities margin financing” under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Security for the Loan: the Notes Mortgage and the Share Mortgage.

### *Notes Mortgage*

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

## *Share Mortgage*

As advised and confirmed by SHK, the Loan is secured by the Share Mortgage created by the Borrower in favour of the Lender by way of first fixed mortgage of Shares A. The Lender, as mortgagee, shall have rights, among other things, to transfer to itself Shares A upon execution of the Share Mortgage and dispose of Shares A upon the occurrence of an event of default or upon the occurrence of any event which may lead to a default by the Borrower.

## **THE TRANSACTION**

As advised and confirmed by SHK, on 18th November, 2015, the Lender entered into the Supplemental Loan Agreement with the Borrower, pursuant to which, the Lender agreed to, among other things, make available to the Borrower Loan B on the terms and subject to the conditions therein. As at the date of the Supplemental Loan Agreement, HK\$300,000,000 of Loan A remained outstanding and due for repayment by the Borrower to the Lender.

### **The Supplemental Loan Agreement**

Date: 18th November, 2015

Parties: (1) the Lender as the lender for the Supplemental Loan Agreement; and  
(2) the Borrower as the borrower for the 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 confirmation of the Borrower, and to the best of the knowledge, information and belief of the AGL Directors and the APL Directors (having made all reasonable enquiries), save for the Borrower's holding of approximately 4.91% of the total number of shares in issue of APL and approximately 4.31% of the total number of shares in issue of Tian An respectively, the Borrower and its ultimate beneficial owner are all third parties independent of AGL, APL and SHK and their respective connected persons.

### **Principal terms of the Supplemental Loan Agreement**

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

Loan amount: the aggregate of:

- (1) Loan A; and
- (2) HK\$250,000,000 ("**Loan B**").

Repayment date: (1) in relation to Loan A, 10th October, 2016; and  
(2) in relation to Loan B, 3 years from the drawdown date of Loan B.

- Interest:
- (1) in relation to Loan A, 6% per annum; and
  - (2) in relation to Loan B,
    - (i) 4.2531% per month for the first interest payment, being a one-day interest for the drawdown date of Loan B; and
    - (ii) 6% per annum thereafter.

Additional security for the Loan: Additional Share Mortgage.

#### *Additional Share Mortgage*

As advised and confirmed by SHK, the Loan is secured by the Additional Share Mortgage created by the Borrower in favour of the Lender by way of first fixed mortgage of Shares B. The Lender, as mortgagee, shall have rights, among other things, to transfer to itself Shares B upon execution of the Additional Share Mortgage and dispose of Shares B upon the occurrence of an event of default or upon the occurrence of any event which may lead to a default by the Borrower.

As advised and confirmed by SHK, the obligations of the Borrower under the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement are without recourse to the Borrower or any of the assets of the Borrower other than the security forming the subject matter of the Notes Mortgage, the Share Mortgage and the Additional Share Mortgage.

As advised and confirmed by SHK, save for the amendments made to the Loan Agreement by the Supplemental Loan Agreement, the provisions of the Loan Agreement and the rights and obligations thereunder shall remain in full force and effect.

As advised and confirmed by SHK, the Notes Mortgage and the Share Mortgage shall remain and continue to remain in full force and effect.

#### **REASONS FOR AND BENEFITS OF THE TRANSACTION**

As advised and confirmed by SHK, the terms of the 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 Supplemental Loan Agreement was entered into by the Lender having regard to (i) the costs of borrowing in providing Loan B 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 Exco is of the view that the terms of the 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 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.

## **INFORMATION ABOUT AGL, APL, THE LENDER AND THE BORROWER**

### **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.

### **The Lender**

As advised and confirmed by SHK, the Lender is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of SHK and is principally engaged in the business of provision of loan finance. 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 an exempted company incorporated in the Cayman Islands with limited liability. The principal business activity of the Borrower is making investments.

## LISTING RULES IMPLICATIONS

As the Lender is an indirect wholly-owned subsidiary of SHK, which 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 shall be a deemed transaction 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, on a stand-alone basis, does not constitute a notifiable transaction for each of AGL and APL 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 each of AGL and APL on the basis that the relevant percentage ratio(s) of each of AGL and APL exceeds 5% but is below 25%. As advised and confirmed by SHK, the Transaction, on a stand-alone basis or when aggregated with the Previous Transaction, does not constitute a notifiable transaction for SHK on the basis that none of the percentage ratio(s) exceeds 5%.

## DEFINITIONS

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

“Additional Share Mortgage”	the mortgage created by the Borrower as the mortgagor in favour of the Lender as the mortgagee over Shares B;
“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”	directors of the AGL;
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 56 and Warrant Code:1183) and a non wholly-owned subsidiary of AGL;
“APL Board”	the board of APL Directors;
“APL Directors”	directors of the APL;
“Borrower”	the borrower under the Loan Agreement as supplemented by the Supplemental Loan Agreement, and the mortgagor under the Share Mortgage, the Notes Mortgage and the Additional Share Mortgage;
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Lender”	Itso Limited, a company incorporated in Hong Kong with limited liability, being the lender under the Loan Agreement as supplemented by the Supplemental Loan Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the aggregate amount of loan owing to the Lender by the Borrower under the Loan Agreement as amended and/or supplemented from time to time and upon drawdown of Loan B, the aggregate of Loan A and Loan B;
“Loan Agreement”	the loan agreement entered into between the Lender as the lender and the Borrower as the borrower dated 9th October, 2014;
“Notes”	US\$48,000,000 fixed rate notes, issued by a company incorporated in Malaysia, beneficially owned by the Borrower;
“Notes Mortgage”	the mortgage over the Notes and other security interests in the Securities Account provided by the Borrower as the mortgagor in favour of the Lender as the mortgagee;
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“Previous Transaction”	the transaction contemplated under the Loan Agreement which is subject to aggregation with the Transaction for determining the percentage ratio(s) pursuant to the Listing Rules;
“Securities Account”	the securities account in the name of the Borrower opened and maintained with Sun Hung Kai Investment Services Limited;
“Share Mortgage”	the mortgage created by the Borrower as the mortgagor in favour of the Lender as the mortgagee over Shares A;
“Shares A”	170,000,000 issued shares of APL;
“Shares B”	65,000,000 issued shares of Tian An;

“SHK”	Sun Hung Kai & Co. 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: 86) and an indirect non wholly-owned subsidiary of each of AGL and APL;
“SHK Exco”	the executive committee of and with powers delegated from the board of directors of SHK;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Loan Agreement”	the supplemental loan agreement entered into between the Lender as the lender and the Borrower as the borrower dated 18th November, 2015;
“Tian An”	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), being an associate held by APL;
“Transaction”	the transaction in relation to the grant of Loan B contemplated under the Supplemental Loan Agreement; and
“%”	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, 18th November, 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.*