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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)



天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 28)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF THE GUARANTEES

As advised and confirmed by TACI, on 4th July, 2022, TACI, Sino Trader (an indirect wholly-owned subsidiary of TACI, which in turn is an indirect non wholly-owned subsidiary of AGL, and the holder of 60% of the issued share capital of the JV Company) and Beauty Pearl (the holder of 40% of the issued share capital of the JV Company) entered into the Agreement pursuant to which, among other things, TACI agreed to provide the Guarantees in favour of the Lenders for the performance by the Project Company of all of its obligations (including any payment obligation) under the Loans in the aggregate outstanding principal amount of not more than RMB300,000,000 (equivalent to approximately HK\$352,941,000) and other relevant transaction documents.

PROVISION OF THE SHAREHOLDER'S LOAN

As advised and confirmed by TACI, the TACI Group has from time to time granted shareholder's loans to the Project Company. As at the date of this joint announcement, Nanjing Tiandu (an indirect wholly-owned subsidiary of TACI) has made available to the Project Company the Shareholder's Loan in an aggregate amount of RMB69,180,239 (equivalent to approximately HK\$81,389,000) which is interest-free and shall be repayable on demand.

LISTING RULES IMPLICATIONS

TACI

As none of the relevant Percentage Ratios in respect of the provision of the Shareholder's Loan on a standalone basis exceeds 5%, the provision of the Shareholder's Loan on a standalone basis does not constitute a notifiable transaction for TACI under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of the provision of the Guarantees, both on a standalone basis and when aggregated with the Shareholder's Loan in accordance with Rule 14.22 of the Listing Rules, exceeds 5% but is less than 25%, the provision of the Guarantees and the Shareholder's Loan constitute a discloseable transaction for TACI and are subject to announcement requirement but exempt from TACI Shareholders' approval requirement under Chapter 14 of the Listing Rules.

AGL

As TACI is an indirect non wholly-owned subsidiary of AGL, the entering into of the Agreement by TACI and the provision of the Shareholder's Loan shall be transactions for AGL under the Listing Rules as the definition of "listed issuer" under Chapter 14 of the Listing Rules shall include the listed issuer's subsidiaries.

As none of the relevant Percentage Ratios in respect of the provision of each of the Shareholder's Loan and the Guarantees on a standalone basis exceeds 5%, the provision of each of the Shareholder's Loan and the Guarantees on a standalone basis does not constitute a notifiable transaction for AGL under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of the provision of the Guarantees, when aggregated with the Shareholder's Loan in accordance with Rule 14.22 of the Listing Rules, exceeds 5% but is less than 25%, the provision of the Guarantees and the Shareholder's Loan constitute a discloseable transaction for AGL and are subject to announcement requirement but exempt from AGL Shareholders' approval requirement under Chapter 14 of the Listing Rules.

PROVISION OF THE GUARANTEES

As advised and confirmed by TACI, on 4th July, 2022, TACI, Sino Trader (an indirect wholly-owned subsidiary of TACI, which in turn is an indirect non wholly-owned subsidiary of AGL, and the holder of 60% of the issued share capital of the JV Company) and Beauty Pearl (the holder of 40% of the issued share capital of the JV Company) entered into the Agreement pursuant to which, among other things, TACI agreed to provide the Guarantees in favour of the Lenders for the performance by the Project Company of all of its obligations (including any payment obligation) under the Loans in the aggregate outstanding principal amount of not more than RMB300,000,000 (equivalent to approximately HK\$352,941,000) and other relevant transaction documents.

As advised and confirmed by TACI, pursuant to the JV Agreement, where external financing is required to finance the development of the Land and if any undertakings are required to be given as a condition to such external financing, such undertakings shall be given in proportion to the 60% and 40% shareholding interest held by Sino Trader and Beauty Pearl in the JV Company, respectively.

As advised and confirmed by TACI and as such, Beauty Pearl agreed to provide a counter-indemnity to TACI, whereby Beauty Pearl shall counter-indemnify TACI for the Relevant Proportion of (i) any payment made or required to be made in satisfaction of TACI's obligations under the Guarantees; and (ii) all claims which TACI may incur under the Guarantees or its performance or observance of any obligations or liabilities under or in connection with the Guarantees. Beauty Pearl further agreed to pledge all its shares in the JV Company in favour of Sino Trader and assign to Sino Trader (a) all shareholder's loan(s) owed by the JV Company and/or any of its subsidiaries to Beauty Pearl (including any entities who have provided shareholder's loan(s) to the JV Company and/or any of its subsidiaries at the instruction of Beauty Pearl) which are outstanding as at the date of the counter-indemnity agreement to be executed by Beauty Pearl; and (b) any shareholder's loan(s) to be advanced by Beauty Pearl and/or any of its subsidiaries to the JV Company thereafter during the term of the counter-indemnity agreement, as securities for the due performance and observance of Beauty Pearl's obligations under the counter-indemnity.

As advised and confirmed by TACI, and to the best knowledge, information and belief of the TACI Directors and the AGL Directors having made all reasonable enquiries, save for the 40% of the issued share capital that Beauty Pearl holds in the JV Company in relation to the joint development of the Land, Beauty Pearl and its ultimate beneficial owner (i.e. Mr. Go) are all third parties independent of each of TACI, AGL and their respective connected persons.

PROVISION OF THE SHAREHOLDER'S LOAN

As advised and confirmed by TACI, the TACI Group has from time to time granted shareholder's loans to the Project Company. As at the date of this joint announcement, Nanjing Tiandu (an indirect wholly-owned subsidiary of TACI) has made available to the Project Company the Shareholder's Loan in an aggregate amount of RMB69,180,239 (equivalent to approximately HK\$81,389,000) which is interest-free and shall be repayable on demand. As at the date of this joint announcement, the Shareholder's Loan has been drawn down.

As advised and confirmed by TACI, the purpose of the Shareholder's Loan is for the working capital of the Project Company and the repayment of the outstanding loans owed to an external financier by the Project Company.

As advised and confirmed by TACI, the Shareholder's Loan was determined after arm's length negotiation between Nanjing Tiandu and the Project Company having taken into account the working capital needs and outstanding liabilities of the Project Company. The Shareholder's Loan was funded by the internal resources of the TACI Group.

REASONS FOR AND BENEFITS OF PROVISION OF THE GUARANTEES AND THE SHAREHOLDER'S LOAN

As advised and confirmed by TACI, the TACI Directors are of the view that the Loans will provide funding to the JV Company for its working capital needs including the costs for the development of the Land, in which the TACI Group has a 60% share of profits.

Furthermore, the provision of the Guarantees would be incidental to the grant of the Loans, which in turn would form an integral part of the development of the Land and the operations of the JV Company by providing the necessary funding.

Although the provision of the Guarantees was not in proportion to the 60% shareholding interest held by Sino Trader in the JV Company, in accordance with the JV Agreement, Beauty Pearl agreed to counter-indemnify TACI for the Relevant Proportion of (i) any payment made or required to be made in satisfaction of TACI's obligations under the Guarantees; and (ii) all claims which TACI may incur under the Guarantees or its performance or observance of any obligations or liabilities under or in connection with the Guarantees.

In relation to the Shareholder's Loan, the TACI Directors consider that provision of the Shareholder's Loan enables the Project Company to settle its outstanding loans and improves its financial position as a whole.

Having considered the above, the TACI Directors are of the view that the provision of the Guarantees and the Shareholder's Loan are entered into on normal commercial terms, and are fair and reasonable and in the interests of TACI and the TACI Shareholders as a whole.

Based on the information and confirmation provided by TACI and to the best knowledge, information and belief of the AGL Directors, the AGL Directors consider that the provision of the Guarantees and the Shareholder's Loan are fair and reasonable and in the interests of AGL and the AGL Shareholders as a whole.

INFORMATION RELATING TO TACI, SINO TRADER, NANJING TIANDU, BEAUTY PEARL, THE PROJECT COMPANY AND AGL

(1) TACI

TACI is 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.

(2) Sino Trader

As advised and confirmed by TACI, Sino Trader is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of TACI and owns 60% of the issued share capital of the JV Company.

The principal business activity of Sino Trader is investment holding.

(3) Nanjing Tiandu

As advised and confirmed by TACI, Nanjing Tiandu is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of TACI.

The principal business activities of Nanjing Tiandu is property development and investment.

(4) Beauty Pearl

As advised and confirmed by TACI, Beauty Pearl is a company incorporated in the British Virgin Islands with limited liability and is beneficially owned by Mr. Go and owns 40% of the issued share capital of the JV Company.

The principal business activity of Beauty Pearl is investment holding.

(5) The Project Company

As advised and confirmed by TACI, the Project Company is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the JV Company. The JV Company is owned as to 60% by Sino Trader (which in turn is an indirect wholly-owned subsidiary of TACI) and 40% by Beauty Pearl (which in turn is beneficially owned by Mr. Go).

The principal business activity of the Project Company is property development.

(6) AGL

AGL 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 AGL 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 and investments in listed and unlisted securities.

LISTING RULES IMPLICATIONS

TACI

As none of the relevant Percentage Ratios in respect of the provision of the Shareholder's Loan on a standalone basis exceeds 5%, the provision of the Shareholder's Loan on a standalone basis does not constitute a notifiable transaction for TACI under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of the provision of the Guarantees, both on a standalone basis and when aggregated with the Shareholder's Loan in accordance with Rule 14.22 of the Listing Rules, exceeds 5% but is less than 25%, the provision of the Guarantees and the Shareholder's Loan constitute a discloseable transaction for TACI and are subject to announcement requirement but exempt from TACI Shareholders' approval requirement under Chapter 14 of the Listing Rules.

AGL

As TACI is an indirect non wholly-owned subsidiary of AGL, the entering into of the Agreement by TACI and the provision of the Shareholder's Loan shall be transactions for AGL under the Listing Rules as the definition of "listed issuer" under Chapter 14 of the Listing Rules shall include the listed issuer's subsidiaries.

As none of the relevant Percentage Ratios in respect of the provision of each of the Shareholder's Loan and the Guarantees on a standalone basis exceeds 5%, the provision of each of the Shareholder's Loan and the Guarantees on a standalone basis does not constitute a notifiable transaction for AGL under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of the provision of the Guarantees, when aggregated with the Shareholder's Loan in accordance with Rule 14.22 of the Listing Rules, exceeds 5% but is less than 25%, the provision of the Guarantees and the Shareholder's Loan constitute a discloseable transaction for AGL and are subject to announcement requirement but exempt from AGL Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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| "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" | the directors of AGL |
| "AGL Shareholders" | the shareholders of AGL |
| "Agreement" | the framework agreement dated 4th July, 2022 entered into among TACI, Sino Trader and Beauty Pearl in relation to the provision of the Guarantees |
| "Beauty Pearl" | Beauty Pearl Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and directly owns 40% of the issued share capital of the JV Company as at the date of this joint announcement |
| "connected persons" | having the meaning ascribed to it under the Listing Rules |
| "Guarantee(s)" | the guarantee(s) provided by TACI in respect of the Loans |
| "HK\$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Hong Kong" | Hong Kong Special Administrative Region of the PRC |

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| “JV Agreement” | the joint venture agreement dated 29th July, 2016 entered into among Beauty Pearl, Sino Trader and the JV Company in relation to the joint development of, among other things, the Land, details of which were announced by TACI on 1st August, 2016 |
| “JV Company” | Noble-Link Worldwide Inc., a company incorporated in the British Virgin Islands with limited liability and is directly owned as to 60% by Sino Trader (which in turn is an indirect wholly-owned subsidiary of TACI) and 40% by Beauty Pearl |
| “Land” | a piece of land in Nanjing, the PRC with an area of 5,012 square metres |
| “Lender(s)” | the external financier(s) to be identified by the Project Company who shall provide the Loans to the Project Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Loan(s)” | the loan(s) to be obtained by the Project Company from the Lenders from time to time on such terms (including interest rates) to be agreed between the respective Lenders and the Project Company, provided that the aggregate outstanding principal amount of all loans to be obtained by the Project Company shall not exceed RMB300,000,000 (equivalent to approximately HK\$352,941,000) at all times |
| “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 |
| “Mr. Go” | Mr. Go Twan Seng, the ultimate beneficial owner of Beauty Pearl |
| “Nanjing Tiandu” | 南京天都實業有限公司 (Nanjing Tiandu Industry Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of TACI |
| “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 |
| “PRC” | the People’s Republic of China, for the purpose of this joint announcement only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China |
| “Project Company” | 麥哲理(南京)房地產開發有限公司 (Accurate (Nanjing) Land Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the JV Company and the borrower of the Loans |
| “Relevant Proportion” | 40%, being the shareholding interest held by Beauty Pearl in the JV Company as at the date of this joint announcement |

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| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder’s Loan” | the shareholder’s loan in the aggregate amount of RMB69,180,239 (equivalent to approximately HK\$81,389,000) provided by Nanjing Tiandu to the Project Company |
| “Sino Trader” | Sino Trader Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of TACI, and directly owns 60% of the issued share capital of the JV Company as at the date of this joint announcement |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “TACI” | Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 28), being an indirect non wholly-owned subsidiary of AGL |
| “TACI Board” | the board of TACI Directors |
| “TACI Directors” | the director(s) of TACI |
| “TACI Group” | TACI and its subsidiaries |
| “TACI Shareholders” | the shareholder(s) of TACI |
| “%” | per cent. |

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

On behalf of the TACI Board
Tian An China Investments Company Limited
Tao Tsan Sang
Executive Director

Hong Kong, 4th July, 2022

For the purpose of this joint announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.85. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

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, Ms. Lisa Yang Lai Sum and Mr. Kelvin Chau Kwok Wing being the Independent Non-Executive Directors.

As at the date of this joint announcement, the TACI Board comprises Mr. Song Zengbin (Deputy Chairman), Mr. Patrick Lee Seng Wei (Managing Director), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; Mr. Lee Seng Hui (Chairman) and Dr. Moses Cheng Mo Chi being the Non-Executive Directors; and Mr. Francis J. Chang Chu Fai, Mr. Jiang Guofang, Mr. Jin Hui Zhi, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.

* *The English translation of the Chinese name of the relevant entity included in this joint announcement is for identification and reference only, and such translation may not be accurate and such entity may not have an official English translation/version of its Chinese name.*