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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 SHAREHOLDER'S LOANS

AMENDMENT OF TERMS OF THE EXISTING SHAREHOLDER'S LOANS AND PROVISION OF THE 2023 SHAREHOLDER'S LOAN

As advised and confirmed by TACI, on 3rd February, 2023, Tian An (Shenzhen) (an indirect wholly-owned subsidiary of TACI, which in turn is an indirect non wholly-owned subsidiary of AGL), Junye Company and Tian An Junye (a joint venture whose entire equity interest is held as to 50% by each of Tian An (Shenzhen) and Junye Company) entered into Framework Memorandum A and Framework Memorandum B.

Pursuant to Framework Memorandum A, among other things, (i) the repayment date of the Existing Shareholder's Loans in the aggregate amount of up to RMB700,000,000 (equivalent to approximately HK\$813,954,000) and the Existing Junye Shareholder's Loans in the aggregate amount of up to RMB700,000,000 (equivalent to approximately HK\$813,954,000) shall be extended to 30th June, 2026; and (ii) the interest rate of the Existing Shareholder's Loans and the Existing Junye Shareholder's Loans shall be revised to 1.2% above the Loan Prime Rate.

Pursuant to Framework Memorandum B, among other things, Tian An (Shenzhen) agreed to make available to Tian An Cloud City (a wholly-owned subsidiary of Tian An Junye) the 2023 Shareholder's Loan in an amount up to RMB350,000,000 (equivalent to approximately HK\$406,977,000) and Junye Company agreed to make available to Tian An Cloud City the 2023 Junye Shareholder's Loan in an amount of up to RMB350,000,000 (equivalent to approximately HK\$406,977,000), both of which shall be repayable on 30th June, 2026.

LISTING RULES IMPLICATIONS

TACI

As one of the relevant Percentage Ratios in respect of the provision of the Shareholder's Loans exceeds 5% but is less than 25%, the provision of the Shareholder's Loans constitutes a discloseable transaction for TACI and is subject to the notification and announcement requirements but exempt from TACI Shareholders' approval requirement under Chapter 14 of the Listing Rules.

AGL

As Tian An (Shenzhen) is an indirect wholly-owned subsidiary of TACI, which in turn is an indirect non wholly-owned subsidiary of AGL, the provision of the Shareholder's Loans by Tian An (Shenzhen) shall be a transaction 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 one of the relevant Percentage Ratios in respect of the provision of the Shareholder's Loans exceeds 5% but is less than 25%, the provision of the Shareholder's Loans constitutes a discloseable transaction for AGL and is subject to the notification and announcement requirements but exempt from AGL Shareholders' approval requirement under Chapter 14 of the Listing Rules.

AMENDMENT OF TERMS OF THE EXISTING SHAREHOLDER'S LOANS AND PROVISION OF THE 2023 SHAREHOLDER'S LOAN

As advised and confirmed by TACI, on 3rd February, 2023, Tian An (Shenzhen) (an indirect wholly-owned subsidiary of TACI, which in turn is an indirect non wholly-owned subsidiary of AGL), Junye Company and Tian An Junye (a joint venture whose entire equity interest is held as to 50% by each of Tian An (Shenzhen) and Junye Company) entered into Framework Memorandum A and Framework Memorandum B.

FRAMEWORK MEMORANDUM A

As advised and confirmed by TACI, the principal terms of the shareholder's loans provided to Tian An Cloud Park under Framework Memorandum A are as follows:

- Date : 3rd February, 2023
- Parties : (1) Tian An (Shenzhen);
(2) Junye Company; and
(3) Tian An Junye

- Loan amount : (i) the Existing Shareholder's Loans in the aggregate amount of up to RMB700,000,000 (equivalent to approximately HK\$813,954,000) made available by Tian An (Shenzhen), its ultimate beneficial owner(s) and/or their respective subsidiaries or associates; and
- (ii) the Existing Junye Shareholder's Loans in the aggregate amount of up to RMB700,000,000 (equivalent to approximately HK\$813,954,000) made available by Junye Company, its ultimate beneficial owner(s) and/or their respective subsidiaries or associates
- Repayment date : 30th June, 2026
- Interest rate : 1.2% above the Loan Prime Rate
- Purpose : payment of the development costs incurred under the Longgang Project undertaken by Tian An Cloud Park

As advised and confirmed by TACI, as at the date of this joint announcement, the Existing Shareholder's Loans and the Existing Junye Shareholder's Loans were fully drawn down.

As advised and confirmed by TACI, the Existing Shareholder's Loans were funded by the internal resources of the TACI Group.

FRAMEWORK MEMORANDUM B

As advised and confirmed by TACI, the principal terms of the shareholder's loans to be provided to Tian An Cloud City under Framework Memorandum B are as follows:

- Date : 3rd February, 2023
- Parties : (1) Tian An (Shenzhen);
- (2) Junye Company; and
- (3) Tian An Junye
- Loan amount : (i) the 2023 Shareholder's Loan in an amount of up to RMB350,000,000 (equivalent to approximately HK\$406,977,000) made available by Tian An (Shenzhen), its ultimate beneficial owner(s) and/or their respective subsidiaries or associates; and
- (ii) the 2023 Junye Shareholder's Loan in an amount of up to RMB350,000,000 (equivalent to approximately HK\$406,977,000) made available by Junye Company, its ultimate beneficial owner(s) and/or their respective subsidiaries or associates

Repayment date	:	30th June, 2026
Interest rate	:	1.2% above the Loan Prime Rate
Purpose	:	payment of the development costs incurred under the Longgang Project undertaken by Tian An Cloud City

As advised and confirmed by TACI, as at the date of this joint announcement, the 2023 Shareholder's Loan and the 2023 Junye Shareholder's Loan have not been drawn down.

As advised and confirmed by TACI, the 2023 Shareholder's Loan will be funded by the internal resources of the TACI Group.

REASONS FOR AND BENEFITS OF AMENDMENT OF TERMS OF THE EXISTING SHAREHOLDER'S LOANS AND PROVISION OF THE 2023 SHAREHOLDER'S LOAN

As advised and confirmed by TACI, the TACI Directors consider that the provision of the Shareholder's Loans (including the extension of the repayment date of the Existing Shareholder's Loans) will facilitate Tian An Cloud Park and Tian An Cloud City in meeting the financial needs relating to the Longgang Project, and enhance the business development of Tian An Junye as a whole. Furthermore, the responsibility for meeting such financial needs has been shared equally by Junye Company, which has also made available to Tian An Cloud Park and Tian An Cloud City (as the case may be) the shareholder's loans in the aggregate amount of up to RMB1,050,000,000 (equivalent to approximately HK\$1,220,931,000). It is also the view of the TACI Directors that the provision of the Shareholder's Loans (including the extension of the repayment date of the Existing Shareholder's Loans) to Tian An Cloud Park and Tian An Cloud City will not only facilitate the further development of the Longgang Project but will also bring additional interest income to TACI.

As advised and confirmed by TACI, the interest rates of the Shareholder's Loans (including the revision of interest rate of the Existing Shareholder's Loans) have been determined after arm's length negotiation between Tian An (Shenzhen) and Tian An Junye having taken into account the prevailing market interest rates and tenor of the Shareholder's Loans. Based on the above, the TACI Directors consider that the terms of the Shareholder's Loans (including the extension of the repayment date and the revision of interest rate of the Existing Shareholder's Loans) were negotiated on an arm's length basis between the parties and 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 terms of the Shareholder's Loans (including the extension of the repayment date and the revision of interest rate of the Existing Shareholder's Loans) are fair and reasonable and in the interests of AGL and the AGL Shareholders as a whole.

INFORMATION RELATING TO TACI, TIAN AN (SHENZHEN), JUNYE COMPANY, TIAN AN JUNYE, TIAN AN CLOUD PARK, TIAN AN CLOUD CITY AND AGL

1. 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.

2. Tian An (Shenzhen)

As advised and confirmed by TACI, Tian An (Shenzhen) is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of TACI holding 50% equity interest in Tian An Junye.

The principal business activities of Tian An (Shenzhen) are property investment and investment holding.

3. Junye Company

As advised and confirmed by TACI, Junye Company is a company established in the PRC with limited liability holding 50% equity interest in Tian An Junye. It is beneficially owned as to approximately 99.83% by Mr. Li Ming and 0.17% by Mr. Yang Yi, respectively.

The principal business activities of Junye Company are property development, property investment, real estate agency and property investment consultancy.

4. Tian An Junye

As advised and confirmed by TACI, Tian An Junye is a company established in the PRC with limited liability and a joint venture whose entire equity interest is held as to 50% by each of Tian An (Shenzhen) and Junye Company.

The principal business activities of Tian An Junye are property development and property investment.

5. Tian An Cloud Park

As advised and confirmed by TACI, Tian An Cloud Park is a company established in the PRC with limited liability and a wholly-owned subsidiary of Tian An Junye.

The principal business activities of Tian An Cloud Park are property development and property investment.

6. Tian An Cloud City

As advised and confirmed by TACI, Tian An Cloud City is a company established in the PRC with limited liability and a wholly-owned subsidiary of Tian An Junye.

The principal business activity of Tian An Cloud City is property development.

7. 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, investments in listed and unlisted securities and funds management.

As advised and confirmed by TACI, to the best knowledge, information and belief of the TACI Directors and the AGL Directors having made all reasonable enquiries, save for the 50% equity interest Junye Company holds in Tian An Junye, Junye Company and its ultimate beneficial owner(s) are all third parties independent of each of TACI, AGL and their respective connected persons.

LISTING RULES IMPLICATIONS

TACI

As one of the relevant Percentage Ratios in respect of the provision of the Shareholder's Loans exceeds 5% but is less than 25%, the provision of the Shareholder's Loans constitutes a discloseable transaction for TACI and is subject to the notification and announcement requirements but exempt from TACI Shareholders' approval requirement under Chapter 14 of the Listing Rules.

AGL

As Tian An (Shenzhen) is an indirect wholly-owned subsidiary of TACI, which in turn is an indirect non wholly-owned subsidiary of AGL, the provision of the Shareholder's Loans by Tian An (Shenzhen) shall be a transaction 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 one of the relevant Percentage Ratios in respect of the provision of the Shareholder's Loans exceeds 5% but is less than 25%, the provision of the Shareholder's Loans constitutes a discloseable transaction for AGL and is subject to the notification and announcement requirements but exempt from AGL Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

“2023 Junye Shareholder’s Loan”	the loan in an amount of up to RMB350,000,000 (equivalent to approximately HK\$406,977,000) being made available by Junye Company, its ultimate beneficial owner(s) and/or their respective subsidiaries or associates to Tian An Cloud City pursuant to Framework Memorandum B
“2023 Shareholder’s Loan”	the loan in an amount of up to RMB350,000,000 (equivalent to approximately HK\$406,977,000) being made available by Tian An (Shenzhen), its ultimate beneficial owner(s) and/or their respective subsidiaries or associates to Tian An Cloud City pursuant to Framework Memorandum 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 Director(s)”	the director(s) of AGL
“AGL Shareholder(s)”	the shareholder(s) of AGL
“connected persons”	having the meaning ascribed to it under the Listing Rules
“Existing Junye Shareholder’s Loans”	the existing loans in the aggregate amount of up to RMB700,000,000 (equivalent to approximately HK\$813,954,000) made available by Junye Company, its ultimate beneficial owner(s) and/or their respective subsidiaries or associates to Tian An Cloud Park
“Existing Shareholder’s Loans”	the existing loans in the aggregate amount of up to RMB700,000,000 (equivalent to approximately HK\$813,954,000) made available by Tian An (Shenzhen), its ultimate beneficial owner(s) and/or their respective subsidiaries or associates to Tian An Cloud Park
“Framework Memorandum A”	the framework memorandum dated 3rd February, 2023 entered into among Tian An (Shenzhen), Junye Company and Tian An Junye in respect of the extension of the repayment date and the revision of interest rate of the Existing Shareholder’s Loans and the Existing Junye Shareholder’s Loans

“Framework Memorandum B”	the framework memorandum dated 3rd February, 2023 entered into among Tian An (Shenzhen), Junye Company and Tian An Junye in respect of the provision of the 2023 Shareholder’s Loan and the 2023 Junye Shareholder’s Loan
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Junye Company”	深圳市駿業雲谷產城投資發展有限公司(Shenzhen Junye Cloud Park City-Industry Investment Development Co., Ltd.*), a company established in the PRC with limited liability holding 50% equity interest in Tian An Junye
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Prime Rate”	the loan prime rate for loans with a term of five years announced by the National Interbank Funding Center from time to time, which is 4.3% as at the date of this joint announcement
“Longgang Project”	Shenzhen Tian An Cloud Park, an urban renewal property development project undertaken by Tian An Cloud Park and Tian An Cloud City and located in Bantian residential district, Longgang, Shenzhen, the PRC
“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 the GEM of the Stock Exchange
“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 the Macau Special Administrative Region of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder’s Loans”	the Existing Shareholder’s Loans and the 2023 Shareholder’s Loan
“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 Director(s)”	the director(s) of TACI
“TACI Group”	TACI and its subsidiaries
“TACI Shareholder(s)”	the shareholder(s) of TACI
“Tian An Cloud City”	深圳天安雲城投資發展有限公司(Shenzhen Tian An Cloud City Investments Development Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of Tian An Junye
“Tian An Cloud Park”	深圳天安雲谷投資發展有限公司(Shenzhen Tian An Cloud Park Investments Development Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of Tian An Junye
“Tian An Junye”	深圳天安駿業投資發展(集團)有限公司(Shenzhen Tian An Junye Investments Development (Group) Co., Ltd.*), a company established in the PRC with limited liability and a joint venture whose entire equity interest is held as to 50% by each of Tian An (Shenzhen) and Junye Company
“Tian An (Shenzhen)”	天安投資(深圳)有限公司(Tian An Investments (Shenzhen) Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of TACI holding 50% equity interest in Tian An Junye
“%”	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, 3rd February, 2023

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 RMB0.86. 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.*