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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)**

**Discloseable Transaction**

**Pursuant to rule 14.36 of the Listing Rules**

**JOINT ANNOUNCEMENT**  
**LOAN TRANSACTION**

Reference is made to the joint announcement of AGL and APL dated 17th June, 2013 in relation to a loan transaction between the Lender, an indirect wholly-owned subsidiary of SHK, the Borrower and the Guarantor. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcement.

As advised and confirmed by SHK, on 17th September, 2013, the Lender entered into the Supplemental Agreement with the Borrower and the Guarantor, pursuant to which the Lender agreed to, among other things, grant the Borrower the right to extend the repayment date under the Loan Agreement to 17th December, 2013. The Borrower had repaid HK\$260,000,000 and as at the date of the Supplemental Agreement, HK\$230,000,000 of the Loan remained outstanding and due for repayment by the Borrower to the Lender.

As advised and confirmed by SHK, on 16th January, 2014, the Lender entered into the Second Supplemental Agreement with the Borrower and the Guarantor, pursuant to which the Lender agreed to, among other things, grant the Borrower the right to further extend the repayment date under the Loan Agreement to 17th March, 2014. As at the date of the Second Supplemental Agreement, HK\$230,000,000 of the Loan remained outstanding and due for repayment by the Borrower to the Lender.

As advised and confirmed by SHK, on 23rd April, 2014, the Lender entered into the Third Supplemental Agreement with the Borrower and the Guarantor, pursuant to which the Lender agreed to, among other things, grant the Borrower the right to further extend the repayment date under the Loan Agreement to 17th December, 2014. The Borrower had repaid HK\$30,000,000 and as at the date of the Third Supplemental Agreement, HK\$200,000,000 of the Loan remained outstanding and due for repayment by the Borrower to the Lender.

As advised and confirmed by SHK, on 8th May, 2014, the Lender entered into a Fourth Supplemental Agreement with the Borrower and the Guarantor, pursuant to which the Lender agreed to, among other things, make available to the Borrower the Loan B.

As the Lender is a 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 for each of SHK, 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 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 SHK and APL, the Transaction does not constitute a notifiable transaction for each of SHK and APL on the basis that none of the percentage ratio(s) exceed 5%.

This joint announcement is made by APL pursuant to Rule 14.36 of the Listing Rules, as the entering into the Fourth Supplemental Agreement constitutes a material variation to the terms of the transaction previously announced under the Previous Announcement.

Reference is made to the joint announcement of AGL and APL dated 17th June, 2013 (the “Previous Announcement”) in relation to a loan transaction between the Lender, an indirect wholly-owned subsidiary of SHK, the Borrower and the Guarantor. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcement.

As advised and confirmed by SHK, on 17th September, 2013, the Lender entered into the Supplemental Agreement with the Borrower and the Guarantor, pursuant to which the Lender agreed to, among other things, grant the Borrower the right to extend the repayment date under the Loan Agreement to 17th December, 2013. The Borrower had repaid HK\$260,000,000 and as at the date of the Supplemental Agreement, HK\$230,000,000 of the Loan remained outstanding and due for repayment by the Borrower to the Lender.

As advised and confirmed by SHK, on 16th January, 2014, the Lender entered into the Second Supplemental Agreement with the Borrower and the Guarantor, pursuant to which the Lender

agreed to, among other things, grant the Borrower the right to further extend the repayment date under the Loan Agreement to 17th March, 2014. As at the date of the Second Supplemental Agreement, HK\$230,000,000 of the Loan remained outstanding and due for repayment by the Borrower to the Lender.

As advised and confirmed by SHK, on 23rd April, 2014, the Lender entered into the Third Supplemental Agreement with the Borrower and the Guarantor, pursuant to which the Lender agreed to, among other things, grant the Borrower the right to further extend the repayment date under the Loan Agreement to 17th December, 2014. The Borrower had repaid HK\$30,000,000 and as at the date of the Third Supplemental Agreement, HK\$200,000,000 of the Loan remained outstanding and due for repayment by the Borrower to the Lender.

As advised and confirmed by SHK, on 8th May, 2014, the Lender entered into a Fourth Supplemental Agreement with the Borrower and the Guarantor, pursuant to which the Lender agreed to, among other things, make available to the Borrower the Loan B (as defined below).

#### **THE FOURTH SUPPLEMENTAL AGREEMENT**

Date: 8th May, 2014

Parties: (1) the Lender as the lender;  
(2) the Borrower as the borrower; and  
(3) the Guarantor as the guarantor.

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 and the Guarantor, and to the best knowledge, information and belief of the AGL Directors and APL Directors, having made all reasonable enquiries, the Guarantor, the Borrower and its ultimate beneficial owners are third parties independent of AGL, APL and SHK and their respective connected persons.

#### **THE TERMS OF THE FOURTH SUPPLEMENTAL AGREEMENT**

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

Loan: (i) HK\$490,000,000 (out of which HK\$290,000,000 had been repaid and HK\$200,000,000 remained outstanding as at the date of the Fourth Supplemental Agreement) (“**Loan A**”); and  
(ii) HK\$200,000,000 (“**Loan B**”).

Repayment: (i) in relation to Loan A, 17th December, 2014 or such other date as agreed in writing between the Lender and the Borrower; and  
(ii) in relation to Loan B, 3 months from the drawdown date of Loan B or such other date as agreed in writing between the Lender and the Borrower.

Interest rate: 2% per month

As advised and confirmed by SHK, any sum in respect of Loan A and Loan B repaid by the Borrower will not be available for withdrawal again.

As advised and confirmed by SHK, the non-refundable loan arrangement fee in respect of the Fourth Supplemental Agreement which is payable by the Borrower is HK\$2,000,000.

As advised and confirmed by SHK, save for the amendment in the Fourth Supplemental Agreement, the provisions of the Loan Agreement as amended by the Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement and the rights and obligations thereunder shall remain in full force and effect.

As advised and confirmed by SHK, the Share Mortgages, the Debentures and the Deeds of Assignment 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 Fourth Supplemental Agreement, including the interest rate and the non-refundable arrangement fee applicable, were arrived at after arm's length negotiations between the Lender and the Borrower. Based on the confirmation of SHK, the Fourth Supplemental 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 Fourth Supplemental 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 AGL Directors and the APL Directors, the AGL Directors and the APL Directors consider that the Transaction is fair and reasonable and in the interests of AGL and APL and their shareholders taken as a whole.

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

### **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 financial services 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 financial services and investments in listed and unlisted securities.

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

### **The Lender**

As advised and confirmed by SHK, the Lender is a company incorporated in Hong Kong with limited liability. The principal business activity of the Lender is the provision of loan finance.

As at the date of this joint announcement, the Lender is an indirect wholly-owned subsidiary of SHK, which is beneficially owned as to approximately 56.19% by APL.

## **The Borrower**

As advised and confirmed by SHK, the Borrower is a company incorporated in the BVI with limited liability. The principal business activity of the Borrower is investment holding.

## **The Guarantor**

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

## **LISTING RULES IMPLICATIONS**

As the Lender is a 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 for each of SHK, 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 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 SHK and APL, the Transaction does not constitute a notifiable transaction for each of SHK and APL on the basis that none of the percentage ratio(s) exceed 5%.

This joint announcement is made by APL pursuant to Rule 14.36 of the Listing Rules, as the entering into the Fourth Supplemental Agreement constitutes a material variation to the terms of the transaction previously announced under the Previous Announcement.

## **DEFINITIONS**

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

“Fourth Supplemental Agreement”	the fourth supplemental loan agreement to the Loan Agreement entered into between the Lender, the Borrower and the Guarantor on 8th May, 2014;
“Second Supplemental Agreement”	the second supplemental loan agreement to the Loan Agreement entered into between the Lender, the Borrower and the Guarantor on 16th January, 2014;

“Supplemental Agreement”	the supplemental loan agreement to the Loan Agreement entered into between the Lender, the Borrower and the Guarantor on 17th September, 2013;
“Third Supplemental Agreement”	the third supplemental loan agreement to the Loan Agreement entered into between the Lender, the Borrower and the Guarantor on 23rd April, 2014; and
“Transaction”	the transaction contemplated under the Fourth Supplemental 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*

Hong Kong, 8th May, 2014

*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.*