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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)

Discloseable Transaction



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



新鴻基有限公司

SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 86)

Discloseable Transaction

JOINT ANNOUNCEMENT
LOAN TRANSACTION

As advised and confirmed by SHK, on 22 December, 2014, the Lender (an indirect wholly-owned subsidiary of SHK) as lender entered into the Loan Agreement with the Borrower, Guarantor A, Guarantor B and the Subsidiary pursuant to which, the Lender agreed to, among other things, make available to the Borrower the Loan for the purposes of funding the working capital and/or capital expenditure of the Group.

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 constitutes a discloseable transaction for each of AGL, APL and SHK on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%.

INTRODUCTION

As advised and confirmed by SHK, on 22 December, 2014, the Lender (an indirect wholly-owned subsidiary of SHK) as lender entered into the Loan Agreement with the Borrower, Guarantor A, Guarantor B and the Subsidiary pursuant to which, the Lender agreed to, among other things, make available to the Borrower the Loan for the purposes of funding the working capital and/or capital expenditure of the Group.

THE LOAN AGREEMENT

The Loan Agreement

Date: 22 December, 2014

Parties:

- (1) the Lender as the lender for the Loan Agreement;
- (2) the Borrower as the borrower for the Loan Agreement;
- (3) Guarantor A and Guarantor B as guarantors for the Loan Agreement; and
- (4) the Subsidiary as a party to the Loan Agreement.

As advised and confirmed by SHK, which has made all reasonable enquiries and based on the confirmations of the Borrower, Guarantor A, Guarantor B, Chargor A, Chargor B and the Subsidiary, and to the best knowledge, information and belief of the AGL Directors, APL Directors and SHK Directors, having made all reasonable enquiries, the Borrower and its ultimate beneficial shareholders (those who are holding an interest of 5% or more of voting shares of the Borrower and their respective ultimate beneficial shareholders (where applicable)); and Chargor A, Chargor B, the Subsidiary, Guarantor A and Guarantor B are all third parties independent of AGL, APL and SHK and their respective connected persons.

Principal Terms of the Loan Agreement

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

Loan amount: the loan of HK\$700,000,000, which is comprised of:-

(i) Loan A; and

- (ii) Loan B (which, among other things, shall not be advanced by the Lender to the Borrower unless (a) the Subsidiary shall have deposited no less than 50% of the total issued share capital of the Listed Company it acquired pursuant to a voluntary conditional offer in relation to the acquisition of all the issued shares of the Listed Company into a securities trading account opened and maintained with SHKIS and (b) cash in the amount of HK\$320,000,000 shall have been deposited into a securities trading account of any member of the Group opened and maintained with SHKIS.)

Term: 9 months from the date of the Loan Agreement.

Purpose: the Loan shall be applied and used by the Borrower for the purposes of funding the working capital and/or capital expenditure of the Group.

Interest rate: 1.5% per month.

Security for the Loan: Debenture (Borrower), Debenture (Chargor A) and Debenture (Chargor B).

Debenture (Borrower)

The Loan is secured by the Debenture (Borrower) created by the Borrower in favour of the Lender by way of a first fixed and floating charge over all the undertaking, property and assets of the Borrower.

The Debenture (Borrower) and all security constituted by or pursuant to the Debenture (Borrower) shall become immediately enforceable upon the occurrence of an event of default or the occurrence of any event which may lead to a default by the Borrower.

Debenture (Chargor A)

The Loan is secured by the Debenture (Chargor A) created by Chargor A in favour of the Lender by way of a first fixed and floating charge over all the undertaking, property and assets of Chargor A.

The Debenture (Chargor A) and all security constituted by or pursuant to the Debenture (Chargor A) shall become immediately enforceable upon the occurrence of an event of default or the occurrence of any event which may lead to a default by the Borrower.

Debenture (Chargor B)

The Loan is secured by the Debenture (Chargor B) created by Chargor B in favour of the Lender by way of a first fixed and floating charge over all the undertaking, property and assets of Chargor B.

The Debenture (Chargor B) and all security constituted by or pursuant to the Debenture (Chargor B) shall become immediately enforceable upon the occurrence of an event of default or the occurrence of any event which may lead to a default by the Borrower.

Other Key Terms of the Loan Agreement

The Borrower, the Subsidiary, Guarantor A and Guarantor B, jointly and severally, irrevocably and unconditionally authorise the Lender, at any time after any event of default under the Loan Agreement has occurred and is continuing, to sell any securities held in any account or apply any credit balance in any currency standing upon any account of the Borrower, the Subsidiary, Guarantor A or Guarantor B with the Lender and/or its subsidiaries or associates (including but not limited to SHKIS) to satisfy any sum due and payable but unpaid to the Lender under the Loan Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTION

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

As advised and confirmed by APL, on 22 December, 2014, the Borrower executed a deed of confirmation in favour of the Introducer pursuant to which, the Borrower agreed to, among other things, pay to the Introducer direct a referral fee of HK\$14,000,000 upon the drawdown of Loan A.

INFORMATION ABOUT AGL, APL, SHK, THE LENDER, THE BORROWER, GUARANTOR A, GUARANTOR B, CHARGOR A, CHARGOR B, THE SUBSIDIARY AND THE INTRODUCER

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.

SHK

SHK 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 SHK is investment holding. The principal business activities of its major subsidiaries are wealth management and brokerage, capital markets, consumer finance as well as principal investments.

As at the date of this joint announcement, SHK is beneficially owned as to approximately 54.73% by APL.

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 securities trading and provision of loan finance.

As at the date of this joint announcement, the Lender is an indirect wholly-owned subsidiary of SHK.

The Borrower

As advised and confirmed by SHK, the Borrower is a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange. The principal business activities of the Borrower are research and development, manufacturing, production, distribution, sales and/or leasing of batteries, battery management systems, battery packs, battery charging equipment, energy storage system and/or other related products or applications and/or electric vehicles and/or their related core components and/or providing solutions or consultation to energy storage and/or various battery or electric vehicle business projects and/or any ancillary businesses.

Guarantor A

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

Guarantor B

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

Chargor A

As advised and confirmed by SHK, Chargor A is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Borrower. The principal business activity of Chargor A is investment holding.

Chargor B

As advised and confirmed by SHK, Chargor B is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Borrower. The principal business activity of Chargor B is investment holding.

The Subsidiary

As advised and confirmed by SHK, the Subsidiary is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Borrower. The principal business activity of the Subsidiary is investment holding.

The Introducer

As advised and confirmed by APL, the Introducer is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of APL and is principally engaged in trading of securities.

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 constitutes a discloseable transaction of each of AGL, APL and SHK on the basis that the relevant percentage ratio(s) exceeds 5% but is below 25%.

DEFINITIONS

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

“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 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 APL;
“Borrower”	the borrower under the Loan Agreement;
“Chargor A”	the chargor under Debenture (Chargor A);
“Chargor B”	the chargor under Debenture (Chargor B);
“connected persons”	having the meaning ascribed to it under the Listing Rules;

“Debenture (Borrower)”	the debenture dated 22 December, 2014 created by the Borrower in favour of the Lender by way of a first fixed and floating charge over all the undertaking, property and assets of the Borrower;
“Debenture (Chargor A)”	the debenture dated 22 December, 2014 created by Chargor A in favour of the Lender by way of a first fixed and floating charge over all the undertaking, property and assets of Chargor A;
“Debenture (Chargor B)”	the debenture dated 22 December, 2014 created by Chargor B in favour of the Lender by way of a first fixed and floating charge over all the undertaking, property and assets of Chargor B;
“Group”	the Borrower and its subsidiaries;
“Guarantor A”	one of the two guarantors under the Loan Agreement;
“Guarantor B”	one of the two guarantors under the Loan Agreement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Introducer”	Maxplan Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of APL;
“Lender”	Sun Hung Kai Structured Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SHK, being the lender under the Loan Agreement;
“Listed Company”	a company listed on the main board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Loan”	the loan in the amount of HK\$700,000,000, which is comprised of Loan A and Loan B, made available by the Lender to the Borrower on the terms and subject to the conditions set out in the Loan Agreement;
“Loan A”	the loan of HK\$300,000,000 which the Lender has agreed to make available to the Borrower pursuant to the terms and conditions of the Loan Agreement;
“Loan Agreement”	the loan agreement entered into between the Lender as lender and the Borrower as borrower, Guarantor A and Guarantor B as guarantors, and the Subsidiary dated 22 December, 2014;
“Loan B”	the loan of HK\$400,000,000 which the Lender has agreed to make available to the Borrower pursuant to the terms and conditions of the Loan Agreement;
“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;
“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 Board”	the board of SHK Directors;
“SHK Directors”	directors of SHK;
“SHKIS”	Sun Hung Kai Investment Services Limited, a company incorporated in Hong Kong with limited liability, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and an indirect wholly-owned subsidiary of SHK;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a wholly-owned subsidiary of the Borrower;
“Transaction”	the transaction contemplated under the 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

On behalf of the SHK Board
Sun Hung Kai & Co. Limited
Joseph Tong Tang
Executive Director

Hong Kong, 22 December, 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.

As at the date of this joint announcement, the SHK Board comprises Messrs. Lee Seng Huang (Group Executive Chairman), William Leung Wing Cheung, Joseph Tong Tang and Peter Anthony Curry being the Executive Directors; Messrs. Ahmed Mohammed Aqil Qassim Alqassim, Ho Chi Kit (Mr. Roy Kuan as his alternate) and Leung Pak To (Mr. Liu Zheng as his alternate) being the Non-Executive Directors; and Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Jacqueline Alee Leung and Mr. Peter Wong Man Kong being the Independent Non-Executive Directors.