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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)**

### **ANNOUNCEMENT DISCLOSEABLE TRANSACTION EXTENSION OF LOAN REPAYMENT DATE**

Reference is made to the Previous Announcement in relation to a loan transaction between the Lender (an indirect wholly-owned subsidiary of APL) as the lender, the Borrower as the borrower and the Guarantor as 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 APL, on 9th November, 2018, the Lender entered into the Supplemental Loan Agreement with the Borrower and the Guarantor, pursuant to which the Lender agreed to, among other things, extend the repayment date of the Loan from 9th November, 2018 to 21st December, 2018 on the terms and subject to the conditions therein. As at the date of the Supplemental Loan Agreement, HK\$570,000,000 has been drawn and remained outstanding and due to be repaid by the Borrower to the Lender.

As advised and confirmed by SHK HK IND, on 11th October, 2018, Purchaser A (a direct wholly-owned subsidiary of SHK HK IND) entered into the Subscription Agreement A to subscribe for the Notes in the principal amount of US\$5,000,000. On 11th October, 2018, Purchaser B (an indirect wholly-owned subsidiary of AGL) also entered into the Subscription Agreement B to subscribe for the Notes in the principal amount of US\$2,500,000. The Notes are guaranteed by the Guarantor and certain Issuer's subsidiaries and secured by pledges over the issued shares of certain Issuer's subsidiaries, on the terms and subject to the conditions therein.

## **LISTING RULES IMPLICATIONS**

As the Lender is an indirect 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 transaction of each of 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, on a stand-alone basis and when aggregated with the Previous Transactions in accordance with the Listing Rules, constitutes a discloseable transaction for AGL on the basis that the relevant percentage ratio(s) of AGL exceeds 5% but is below 25%.

As advised and confirmed by APL, the Transaction does not constitute a notifiable transaction for APL, as none of the percentage ratio(s) exceeds 5%.

Reference is made to the Previous Announcement in relation to a loan transaction between the Lender (an indirect wholly-owned subsidiary of APL) as the lender, the Borrower as the borrower and the Guarantor as guarantor. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcement.

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## **THE SUPPLEMENTAL LOAN AGREEMENT**

Date: 9th November, 2018

Parties:

- (1) the Lender as the lender for the Supplemental Loan Agreement;
- (2) the Borrower as the borrower for the Supplemental Loan Agreement; and
- (3) the Guarantor as the guarantor for the Supplemental Loan Agreement.

As advised and confirmed by APL, to the best knowledge, information and belief of APL 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 having made all reasonable enquiries, the Borrower and its ultimate beneficial owner and the Guarantor are all third parties independent of APL and AGL and their respective connected persons.

## **THE TERMS OF THE SUPPLEMENTAL LOAN AGREEMENT**

As advised and confirmed by APL, pursuant to the Supplemental Loan Agreement, the Loan Agreement has now been amended and supplemented, inter alia, that the date of repayment for the Loan shall be extended to 21st December, 2018.

As advised and confirmed by APL, the non-refundable loan arrangement fee in respect of the Supplemental Loan Agreement which is payable by the Borrower is 3.5% of the Loan.

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

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

As advised and confirmed by APL, the terms of the Supplemental Loan Agreement, including the interest rates applicable, were arrived at after arm's length negotiations between the Lender, the Borrower and the Guarantor having taken into account the prevailing market interest rates and practices. Based on the confirmation of APL, the Supplemental Loan Agreement was entered into by the Lender having regard to (i) the costs of borrowing in providing the Loan to the Borrower; and (ii) the interest and fee income to be generated by the Transaction. In view of the above, the APL Directors are 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 APL and its shareholders taken as a whole.

Based on the information and the confirmation provided by APL 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.

## **THE PREVIOUS TRANSACTIONS**

As advised and confirmed by SHK HK IND, on 11th October, 2018, Purchaser A (a direct wholly-owned subsidiary of SHK HK IND) entered into the Subscription Agreement A to subscribe for the Notes in the principal amount of US\$5,000,000. On 11th October, 2018, Purchaser B (an indirect wholly-owned subsidiary of AGL) also entered into the Subscription Agreement B to subscribe for the Notes in the principal amount of US\$2,500,000. The Notes are guaranteed by the Guarantor and certain Issuer's subsidiaries and secured by pledges over the issued shares of certain Issuer's subsidiaries, on the terms and subject to the conditions therein.

## **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, elderly care services, the provision of finance and investments in listed and unlisted securities.

### **APL**

APL 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 APL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, elderly care services, the provision of finance and investments in listed and unlisted securities.

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

## **The Lender**

As advised and confirmed by APL, the Lender is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of APL and is an investment holding and property holding company.

## **The Borrower**

As advised and confirmed by APL, the Borrower is a company incorporated in the British Virgin Islands with limited liability. The principal business activity of the Borrower is investment holdings.

## **The Guarantor**

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

## **LISTING RULES IMPLICATIONS**

As the Lender is an indirect 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 transaction of each of 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, on a stand-alone basis and when aggregated with the Previous Transactions in accordance with the Listing Rules, constitutes a discloseable transaction for AGL on the basis that the relevant percentage ratio(s) of AGL exceeds 5% but is below 25%.

As advised and confirmed by APL, the Transaction does not constitute a notifiable transaction for APL, as none of the percentage ratio(s) exceeds 5%.

## **DEFINITIONS**

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

“Borrower” the borrower under the Loan Agreement and the Supplemental Loan Agreement and the controlling shareholder of the Listed Company;

“Guarantor”	the guarantor under the Loan Agreement, the Supplemental Loan Agreement, the personal guarantor for the Notes and the sole shareholder of the Borrower;
“Issuer”	a limited liability company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Listed Company;
“Lender”	AP Diamond Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of APL, being the lender under the Loan Agreement and the Supplemental Loan Agreement;
“Listed Company”	a company listed on the Main Board of the Stock Exchange;
“Notes”	US\$226,000,000 15% senior notes due 2021 issued by the Issuer;
“Previous Announcement”	the announcement dated 24th September, 2018 of AGL;
“Previous Transactions”	the subscription by Purchaser A and Purchaser B of the Notes in the principal amount of US\$5,000,000 and US\$2,500,000 respectively pursuant to the Subscription Agreement A and Subscription Agreement B;
“Purchaser A”	Long Set Investments Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of SHK HK IND;
“Purchaser B”	AG Capital Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of AGL;
“Subscription Agreement A”	the subscription agreement dated 11th October, 2018 entered into by Purchaser A, the Issuer, the Guarantor and certain Issuer’s subsidiaries;
“Subscription Agreement B”	the subscription agreement dated 11th October, 2018 entered into by Purchaser B, the Issuer, the Guarantor and certain Issuer’s subsidiaries;

“Supplemental Loan Agreement” the supplemental loan agreement to the Loan Agreement entered into between the Lender, the Borrower and the Guarantor on 9th November, 2018; and

“Transaction” the transaction contemplated under the Supplemental Loan Agreement.

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

Hong Kong, 9th November, 2018

*As at the date of this 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.*