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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)**

**JOINT ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION  
REVISION OF LOAN AMOUNT**

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

As advised and confirmed by APL, on 10th April, 2019, the Lender entered into the Third Supplemental Loan Agreement with the Borrower and the Guarantor, pursuant to which the Lender agreed to, among other things, make available to the Borrower an additional loan in the amount of HK\$65,000,000 on the terms and subject to the conditions therein. Immediately before entering into the Third Supplemental Loan Agreement, HK\$275,542,054.79 has been repaid by the Borrower and HK\$294,457,945.21 remained outstanding.

*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.

### *The SHK Transaction*

As advised and confirmed by Lender A, on 10th April, 2019, Lender A (an indirect non wholly-owned subsidiary of SHK) as lender entered into the Supplemental Loan Agreement A with the Borrower as borrower and the Guarantor as guarantor, pursuant to which, Lender A agreed to, among other things, make available to the Borrower an additional loan in the amount of HK\$65,000,000 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, does not constitute a notifiable transaction for APL, as none of the percentage ratio(s) exceeds 5%. However, the Transaction, when aggregated with the SHK Transaction in accordance with the Listing Rules, constitutes a discloseable transaction for APL on the basis that the relevant percentage ratio(s) of APL exceeds 5% but is below 25%.

The Transaction, on a stand-alone basis, does not constitute a notifiable transaction for AGL, as none of the percentage ratio(s) exceeds 5%. However, the Transaction, when aggregated with the Previous Transactions and the SHK Transaction 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%.

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

As advised and confirmed by APL, on 10th April, 2019, the Lender entered into the Third Supplemental Loan Agreement with the Borrower and the Guarantor, pursuant to which the Lender agreed to, among other things, make available to the Borrower an additional loan in the amount of HK\$65,000,000 on the terms and subject to the conditions therein. Immediately before entering into the Third Supplemental Loan Agreement, HK\$275,542,054.79 has been repaid by the Borrower and HK\$294,457,945.21 remained outstanding.

## **THE THIRD SUPPLEMENTAL LOAN AGREEMENT**

Date: 10th April, 2019

Parties: (1) the Lender as the lender for the Third Supplemental Loan Agreement;

(2) the Borrower as the borrower for the Third Supplemental Loan Agreement; and

(3) the Guarantor as the guarantor for the Third Supplemental Loan Agreement.

### **Principal terms of the Third Supplemental Loan Agreement**

As advised and confirmed by APL, pursuant to the Third Supplemental Loan Agreement, upon satisfaction of all conditions precedent under the Third Supplemental Loan Agreement, including the Deed of Undertaking, the loan amount under the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement and the Second Supplemental Loan Agreement will be amended as HK\$635,000,000, out of which HK\$275,542,054.79 has been repaid by the Borrower and will not be available for withdrawal by the Borrower again.

As advised and confirmed by APL, the non-refundable loan arrangement fee in respect of the Third Supplemental Loan Agreement which is payable by the Borrower is HK\$750,000.

### *The Deed of Undertaking*

As advised and confirmed by APL, as one of the conditions precedent to the Third Supplemental Loan Agreement, the Deed of Undertaking is executed by the Covenantor as covenantor in favour of the Lender. The Covenantor irrevocably and unconditionally undertakes, among other things, that if the Covenantor obtains any loan under any credit facility, facility agreement, loan agreement, factoring agreement or other agreement relating to borrowing, it shall apply such loan towards full payment of the indebtedness under the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement, the Second Supplemental Loan Agreement and the Third Supplemental Loan Agreement.

Save for the amendments made to the Loan Agreement by the Supplemental Loan Agreement, the Second Supplemental Loan Agreement and the Third Supplemental Loan Agreement, the provisions of the Loan Agreement and the rights and obligations thereunder shall remain in full force and effect.

As advised and confirmed by APL, which has made all reasonable enquiries and based on the confirmations of the Borrower, the Guarantor and the Covenantor and to the best knowledge, information and belief of the APL Directors and AGL Directors having made all reasonable enquiries, the Borrower and the Covenantor and their ultimate beneficial owners, and the Guarantor are all third parties independent of APL and AGL and their respective connected persons.

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

As advised and confirmed by APL, the terms of the Third 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 Third Supplemental Loan Agreement was entered into by the Lender having regard to (i) the costs of borrowing in providing the additional loan of HK\$65,000,000 to the Borrower; (ii) the interest to be generated by the Transaction; and (iii) the underlying securities. In view of the above, the APL Directors are of the view that the terms of the Third 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.

## **THE SHK TRANSACTION**

As advised and confirmed by Lender A, on 10th April, 2019, Lender A (an indirect non wholly-owned subsidiary of SHK) as lender entered into the Supplemental Loan Agreement A with the Borrower as borrower and the Guarantor as guarantor, pursuant to which, Lender A agreed to, among other things, make available to the Borrower an additional loan in the

amount of HK\$65,000,000 on the terms and subject to the conditions therein. Upon satisfaction of all conditions precedent under the Supplemental Loan Agreement A, including the Deed of Undertaking A, the Loan Agreement A has now been amended and supplemented, inter alia, as follows:

Loan amount: up to HK\$365,000,000

Interest rate: (i) 24.5% per annum for the first Interest Period; (ii) 24% per annum thereafter until 9th April, 2019; (iii) 29.9679% per annum for the period between 10th April, 2019 and 24th April, 2019; and (iv) 24% per annum thereafter

### *The Deed of Undertaking A*

As advised and confirmed by Lender A, as one of the conditions precedent to the Supplemental Loan Agreement A, the Deed of Undertaking A is executed by the Covenantor as covenantor in favour of Lender A. The Covenantor irrevocably and unconditionally undertakes, among other things, that if the Covenantor obtains any loan under any credit facility, facility agreement, loan agreement, factoring agreement or other agreement relating to borrowing, it shall apply such loan towards full payment of the indebtedness under the Loan Agreement A as amended and/or supplemented by the Supplemental Loan Agreement A.

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

### **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 joint 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. The principal business activities of the Lender are investment holding and property holding.

### **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.

### **The Covenantor**

As advised and confirmed by APL, the Covenantor is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Guarantor. The principal business activity of the Covenantor is property development.

## **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, does not constitute a notifiable transaction for APL, as none of the percentage ratio(s) exceeds 5%. However, the Transaction, when aggregated with the SHK Transaction in accordance with the Listing Rules, constitutes a discloseable transaction for APL on the basis that the relevant percentage ratio(s) of APL exceeds 5% but is below 25%.

The Transaction, on a stand-alone basis, does not constitute a notifiable transaction for AGL, as none of the percentage ratio(s) exceeds 5%. However, the Transaction, when aggregated with the Previous Transactions and the SHK Transaction 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%.

## **DEFINITIONS**

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

- “Borrower” the borrower under the Loan Agreement, the Supplemental Loan Agreement, the Second Supplemental Loan Agreement, the Third Supplemental Loan Agreement, the Loan Agreement A and the Supplemental Loan Agreement A, and the controlling shareholder of the Listed Company;
- “Covenantor” the covenantor under the Deed of Undertaking and the Deed of Undertaking A;
- “Deed of Undertaking” the deed of undertaking executed by the Covenantor in favour of the Lender;
- “Deed of Undertaking A” the deed of undertaking executed by the Covenantor in favour of Lender A;
- “Guarantor” the guarantor under the Loan Agreement, the Supplemental Loan Agreement, the Second Supplemental Loan Agreement, the Third Supplemental Loan Agreement, the Loan Agreement A and the Supplemental Loan Agreement A, the personal guarantor for the Notes and the sole shareholder of the Borrower and the Covenantor;
- “Interest Period” a period of one month and the first Interest Period shall commence on the first drawdown date of the loan under the Loan Agreement A;

“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, the Supplemental Loan Agreement, the Second Supplemental Loan Agreement and the Third Supplemental Loan Agreement;
“Lender A”	SHK Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of SHK, being the lender under the Loan Agreement A and the Supplemental Loan Agreement A;
“Previous Announcements”	the announcements dated 24th September, 2018 and 9th November, 2018 respectively made by AGL, and the joint announcement dated 23rd January, 2019 made by AGL and APL;
“SHK Transaction”	the transaction contemplated under the Supplemental Loan Agreement A;
“Supplemental Loan Agreement A”	the supplemental loan agreement to the Loan Agreement A entered into between Lender A as lender and the Borrower as borrower and the Guarantor as guarantor dated 10th April, 2019;
“Third Supplemental Loan Agreement”	the third supplemental loan agreement to the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement and the Second Supplemental Loan Agreement entered into between the Lender as lender, the Borrower as borrower and the Guarantor as guarantor on 10th April, 2019; and
“Transaction”	the transaction contemplated under the Third Supplemental Loan 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**  
**Mark Wong Tai Chun**  
*Executive Director*

Hong Kong, 10th April, 2019



*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) and Mark Wong Tai Chun being the Executive Directors; Messrs. Arthur George Dew (Chairman) and Li Chi Kong being the Non-Executive Directors; and Messrs. Steven Samuel Zoellner, Alan Stephen Jones and David Craig Bartlett being the Independent Non-Executive Directors.*