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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 Announcements in relation to a loan transaction between the Lender (an indirect non wholly-owned subsidiary of SHK) as lender and the Borrower as borrower and another loan transaction between Lender A (an indirect wholly-owned subsidiary of APL) as lender and the Guarantor as borrower. 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 17th June, 2019, Lender A as lender entered into Second Supplemental Loan Agreement A with the Guarantor as borrower, pursuant to which Lender A agreed to, among other things, extend the repayment date of Loan A under Loan Agreement A as amended by Supplemental Loan Agreement A from 11th June, 2019 to 12th August, 2019 on the terms and subject to the conditions therein. As at the date of Second Supplemental Loan Agreement A, HK\$100,000,000 has been drawn and remained outstanding and due to be repaid by the Guarantor to Lender A.

As Lender A is an indirect wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of AGL, the Transaction entered into by Lender A 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 AGL on the basis that none of the percentage ratio(s) exceeds 5%. The Transaction, when aggregated with the Previous Transaction in accordance with the Listing Rules, 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 APL, the Transaction, on a stand-alone basis and when aggregated with the Previous Transaction in accordance with the Listing Rules, does not constitute a notifiable transaction under Chapter 14 of the Listing Rules for APL on the basis that none of the percentage ratios exceeds 5%.

Reference is made to the Previous Announcements in relation to a loan transaction between the Lender (an indirect non wholly-owned subsidiary of SHK) as lender and the Borrower as borrower and another loan transaction between Lender A (an indirect wholly-owned subsidiary of APL) as lender and the Guarantor as borrower. 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 17th June, 2019, Lender A as lender entered into Second Supplemental Loan Agreement A with the Guarantor as borrower, pursuant to which Lender A agreed to, among other things, extend the repayment date of Loan A under Loan Agreement A as amended by Supplemental Loan Agreement A from 11th June, 2019 to 12th August, 2019 on the terms and subject to the conditions therein. As at the date of Second Supplemental Loan Agreement A, HK\$100,000,000 has been drawn and remained outstanding and due to be repaid by the Guarantor to Lender A.

SECOND SUPPLEMENTAL LOAN AGREEMENT A

Date: 17th June, 2019

Parties: (1) Lender A as the lender for Second Supplemental Loan Agreement A; and
(2) the Guarantor as the borrower for Second Supplemental Loan Agreement A.

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

THE TERMS OF SECOND SUPPLEMENTAL LOAN AGREEMENT A

As advised and confirmed by APL, pursuant to Second Supplemental Loan Agreement A, upon satisfaction of all conditions precedent under Second Supplemental Loan Agreement A, Loan Agreement A will be amended and supplemented, inter alia, as follows:

Repayment date: 12th August, 2019

Interest rate:

- (i) 1.5705% per month for the first month from the drawdown date;
- (ii) 1.5% per month thereafter until 10th March, 2019;
- (iii) 10.0896% per annum for the period between 11th March, 2019 and 17th March, 2019 (both dates inclusive);
- (iv) 2.7375% per annum thereafter until 10th June, 2019;
- (v) 10.0896% per annum for the period between 11th June, 2019 and 17th June, 2019 (both dates inclusive); and
- (vi) 2.7375% per annum thereafter.

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

PREVIOUS TRANSACTION

As advised and confirmed by SHK, the Lender (an indirect non wholly-owned subsidiary of SHK) as lender entered into the Loan Agreement dated 20th December, 2018 and the Supplemental Loan Agreement dated 28th March, 2019 with the Borrower as borrower, pursuant to which, the Lender agreed to, among other things, make available to the Borrower the Loan, with the following interest rates:

- (a) in respect of the First Drawdown, (i) 20% per annum for the first Interest Period; (ii) 18% per annum thereafter until 23rd March, 2019; (iii) 18.17694% per annum for the period between 24th March, 2019 and 23rd April, 2019 (both dates inclusive); and (iv) 18% per annum thereafter;
- (b) in respect of the Second Drawdown, (i) 20% per annum for the first Interest Period; (ii) 18% per annum thereafter until 23rd March, 2019; (iii) 18.17361% per annum for the period between 24th March, 2019 and 23rd April, 2019 (both dates inclusive); and (iv) 18% per annum thereafter;

and repayment date on the date falling twelve months from the date of the First Drawdown on the terms and subject to the conditions therein. The Guarantor has agreed to guarantee the due and punctual performance of the obligations of the Borrower under the Loan Agreement and the Supplemental Loan Agreement pursuant to the Deed of Guarantee. Guarantor A has further agreed to guarantee the due and punctual performance of the obligations of the Borrower under the Loan Agreement and the Supplemental Loan Agreement pursuant to a deed of guarantee provided by Guarantor A in favour of the Lender.

INFORMATION ABOUT AGL, APL, LENDER A, THE GUARANTOR AND GUARANTOR A

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.

Lender A

As advised and confirmed by APL, Lender A is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of APL and is principally engaged in money lending. Lender A holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

The Guarantor

As advised and confirmed by APL, the Guarantor is an individual and the sole shareholder of the Borrower.

Guarantor A

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

LISTING RULES IMPLICATIONS

As Lender A is an indirect wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of AGL, the Transaction entered into by Lender A 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 AGL on the basis that none of the percentage ratio(s) exceeds 5%. The Transaction, when aggregated with the Previous Transaction in accordance with the Listing Rules, 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 APL, the Transaction, on a stand-alone basis and when aggregated with the Previous Transaction in accordance with the Listing Rules, does not constitute a notifiable transaction under Chapter 14 of the Listing Rules for APL on the basis that none of the percentage ratios exceeds 5%.

DEFINITIONS

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

“Guarantor” an individual guarantor under the Deed of Guarantee, the mortgagor under Share Mortgage (Borrower), the sole shareholder of the Borrower, the assignor under the Assignment and the borrower under Loan Agreement A as amended by Supplemental Loan Agreement A and Second Supplemental Loan Agreement A;

“Guarantor A” an individual guarantor (i) under a deed of guarantee, pursuant to which, Guarantor A agreed to guarantee the due and punctual performance of the obligations of the Guarantor as the borrower under Loan Agreement A as amended by Supplemental Loan Agreement A and Second Supplemental Loan Agreement A and (ii) under a deed of guarantee, pursuant to which, Guarantor A agreed to guarantee the due and punctual performance of the obligations of the Borrower as the borrower under the Loan Agreement as amended by the Supplemental Loan Agreement;

“Lender A” AP Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of APL, being the lender under Loan Agreement A as amended by Supplemental Loan Agreement A and Second Supplemental Loan Agreement A;

“Loan A” the loan in the amount of HK\$100,000,000, made available by Lender A to the Guarantor on the terms and subject to the conditions set out in Loan Agreement A as amended by Supplemental Loan Agreement A and Second Supplemental Loan Agreement A;

“Previous Announcements”	the joint announcement dated 20th December, 2018 of AGL and SHK and the announcement of AGL dated 12th March, 2019;
“Previous Transaction”	the transactions contemplated under the Loan Agreement and the Supplemental Loan Agreement;
“Second Supplemental Loan Agreement A”	the second supplemental loan agreement to Loan Agreement A entered into between Lender A as lender and the Guarantor as borrower on 17th June, 2019;
“Supplemental Loan Agreement”	the supplemental loan agreement to the Loan Agreement entered into between the Lender as lender and the Borrower as borrower on 28th March, 2019; and
“Transaction”	the transaction contemplated under Second Supplemental Loan Agreement A.

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

Hong Kong, 17th June, 2019

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.