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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)



天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 28)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION PROVISION OF SHAREHOLDER'S LOAN

PROVISION OF SHAREHOLDER'S LOAN

Reference is made to the Previous Announcement. As advised and confirmed by TACI, on 21st September, 2017, Greatway (Shenzhen) (an indirect wholly-owned subsidiary of TACI, which in turn is an indirect non wholly-owned subsidiary of AGL as at the date of this joint announcement) entered into a shareholder's loan agreement with Xianghe Min-Hoong (an indirect 50%-owned joint venture of TACI), which was amended and supplemented by the Supplemental Loan Agreements, details of which have been disclosed in the Previous Announcement.

As advised and confirmed by TACI, on 4th April, 2022, Greatway (Shenzhen), Xianghe Min-Hoong and Shenzhen Chenkang (an indirect 50%-owned joint venture of TACI) entered into the Fourth Supplemental Shareholder's Loan Agreement, pursuant to which (i) the principal amount of the Shareholder's Loan granted by Greatway (Shenzhen) to Xianghe Min-Hoong will be increased from the amount of not exceeding RMB850,000,000 (equivalent to approximately HK\$1,049,383,000) to the amount of not exceeding RMB960,000,000 (equivalent to approximately HK\$1,185,185,000); (ii) the term of the Shareholder's Loan will be extended such that the repayment date shall be extended to 31st May, 2025; and (iii) a share charge will be provided by Shenzhen Chenkang in favour of Greatway (Shenzhen) over the entire equity interest of Xianghe Chenkang as security for the Shareholder's Loan.

LISTING RULES IMPLICATIONS

TACI

As more than one of the relevant Percentage Ratios in respect of the provision of the Shareholder's Loan pursuant to the Fourth Supplemental Shareholder's Loan Agreement exceed 5% but are less than 25%, the entering into of the Fourth Supplemental Shareholder's Loan Agreement constitutes a discloseable transaction for TACI and is subject to announcement requirement but exempt from TACI Shareholders' approval requirement under Chapter 14 of the Listing Rules.

AGL

As Greatway (Shenzhen) is an indirect wholly-owned subsidiary of TACI, which in turn is an indirect non wholly-owned subsidiary of AGL, the entering into of the Fourth Supplemental Shareholder's Loan Agreement by Greatway (Shenzhen) shall be a transaction for AGL under the Listing Rules as the definition of "listed issuer" under Chapter 14 of the Listing Rules shall include the listed issuer's subsidiaries.

As one of the Percentage Ratios in respect of the provision of the Shareholder's Loan pursuant to the Fourth Supplemental Shareholder's Loan Agreement exceeds 5% but is less than 25%, the entering into of the Fourth Supplemental Shareholder's Loan Agreement constitutes a discloseable transaction for AGL and is subject to announcement requirement but exempt from AGL Shareholders' approval requirement under Chapter 14 of the Listing Rules.

PROVISION OF SHAREHOLDER'S LOAN

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As advised and confirmed by TACI, on 4th April, 2022, Greatway (Shenzhen), Xianghe Min-Hoong and Shenzhen Chenkang (an indirect 50%-owned joint venture of TACI) entered into the Fourth Supplemental Shareholder's Loan Agreement, pursuant to which (i) the principal amount of the Shareholder's Loan granted by Greatway (Shenzhen) to Xianghe Min-Hoong will be increased from the amount of not exceeding RMB850,000,000 (equivalent to approximately HK\$1,049,383,000) to the amount of not exceeding RMB960,000,000 (equivalent to approximately HK\$1,185,185,000); (ii) the term of the Shareholder's Loan will be extended such that the repayment date shall be extended to 31st May, 2025; and (iii) a share charge will be provided by Shenzhen Chenkang in favour of Greatway (Shenzhen) over the entire equity interest of Xianghe Chenkang as security for the Shareholder's Loan.

As advised and confirmed by TACI, the principal terms of the Shareholder's Loan Agreement (as amended by the Fourth Supplemental Shareholder's Loan Agreement) are as follows:

Date	:	21st September, 2017 (as amended on 29th May, 2018, 18th December, 2018, 2nd June, 2020 and 4th April, 2022)
Parties	:	(1) Greatway (Shenzhen) (as lender) (2) Xianghe Min-Hoong (as borrower) (3) Shenzhen Chenkang (as chargor) (a party to the Fourth Supplemental Shareholder's Loan Agreement only)
Principal Amount	:	a revolving loan in the amount of not exceeding RMB960,000,000 (equivalent to approximately HK\$1,185,185,000)

Purpose	:	general working capital for Xianghe Min-Hoong
Term	:	commencing from the Drawdown Date and ending on 31st May, 2025 (the “Term”)
Security	:	a share charge provided by Shenzhen Chenkang in favour of Greatway (Shenzhen) over the entire equity interest of Xianghe Chenkang, for which a relevant deed of share charge shall be entered into within two months from the date of the Fourth Supplemental Shareholder’s Loan Agreement
Interest	:	at the rate of 12% per annum, calculated on a daily basis and payable at the end of the Term
Repayment	:	one-off repayment of the principal amount of the Shareholder’s Loan, together with the accrued interest, at the end of the Term

As advised and confirmed by TACI, the interest rate of the Shareholder’s Loan was determined after arm’s length negotiation among Xianghe Min-Hoong, Greatway (Shenzhen) and Shenzhen Chenkang, having taken into account the prevailing market interest rates and the principal tenor of the Shareholder’s Loan. The Shareholder’s Loan will be funded by internal resources of Greatway (Shenzhen).

REASONS FOR AND BENEFITS OF THE PROVISION OF THE SHAREHOLDER’S LOAN

As advised and confirmed by TACI, prior to the entering into of the Fourth Supplemental Shareholder’s Loan Agreement, Xianghe Min-Hoong has drawn down RMB823,000,000 (equivalent to approximately HK\$1,016,049,000) under the Shareholder’s Loan Agreement. The TACI Directors consider that the increase of the principal amount and the extension of the term of the Shareholder’s Loan under the Fourth Supplemental Shareholder’s Loan Agreement will facilitate Xianghe Min-Hoong in meeting its working capital needs, and will facilitate the further business development of Xianghe Min-Hoong, in which TACI has a 50% equity interest.

As advised and confirmed by TACI, the terms of the Fourth Supplemental Shareholder’s Loan Agreement were negotiated on an arm’s length basis among Xianghe Min-Hoong, Greatway (Shenzhen) and Shenzhen Chenkang. In addition, given that interest income would be generated from the Shareholder’s Loan and a share charge will be provided by Shenzhen Chenkang as the security for the Shareholder’s Loan, the TACI Directors consider that the Fourth Supplemental Shareholder’s Loan Agreement is entered into on normal commercial terms, and the terms of the Shareholder’s Loan under the Fourth Supplemental Shareholder’s Loan Agreement are fair and reasonable and in the interests of TACI and the TACI Shareholders as a whole.

Based on the information and confirmation provided by TACI and to the best knowledge, information and belief of the AGL Directors, the AGL Directors are of the view that the Shareholder’s Loan under the Fourth Supplemental Shareholder’s Loan Agreement is fair and reasonable and in the interests of AGL and the AGL Shareholders as a whole.

INFORMATION RELATING TO TACI, GREATWAY (SHENZHEN), XIANGHE MIN-HOONG, SHENZHEN CHENKANG AND AGL

(1) TACI

TACI is a company incorporated in Hong Kong with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange.

The principal business activity of TACI is investment holding. TACI Group is engaged principally in the development of apartments, villas, office buildings and commercial properties, property investment and property management on the mainland in the PRC, as well as property investment and property management in Hong Kong.

(2) Greatway (Shenzhen)

As advised and confirmed by TACI, Greatway (Shenzhen) is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of TACI.

The principal business activity of Greatway (Shenzhen) is property investment.

(3) Xianghe Min-Hoong

As advised and confirmed by TACI, Xianghe Min-Hoong is a company established in the PRC with limited liability and is an indirect 50%-owned joint venture of TACI. The remaining 50% equity interest of Xianghe Min-Hoong is beneficially owned by Mr. Cai Yong.

The principal business activity of Xianghe Min-Hoong is property development.

(4) Shenzhen Chenkang

As advised and confirmed by TACI, Shenzhen Chenkang is a company established in the PRC with limited liability and is an indirect 50%-owned joint venture of TACI. The remaining 50% equity interest of Shenzhen Chenkang is beneficially owned by Mr. Cai Yong.

The principal business activity of Shenzhen Chenkang is investment holding.

As advised and confirmed by TACI, and to the best knowledge, information and belief of the TACI Directors and the AGL Directors having made all reasonable enquiries, save for the beneficial 50% equity interests in each of Xianghe Min-Hoong and Shenzhen Chenkang, Mr. Cai Yong is a third party independent of each of TACI, AGL and their respective connected persons.

(5) AGL

AGL is a company incorporated in Hong Kong with limited liability, and 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 development mainly comprising apartments, villas, office buildings and commercial properties, property investment, hospitality related activities, provision of elderly care services, property management, cleaning and security guarding services, and the provision of finance and investments in listed and unlisted securities.

LISTING RULES IMPLICATIONS

TACI

As more than one of the relevant Percentage Ratios in respect of the provision of the Shareholder's Loan pursuant to the Fourth Supplemental Shareholder's Loan Agreement exceed 5% but are less than 25%, the entering into of the Fourth Supplemental Shareholder's Loan Agreement constitutes a discloseable transaction for TACI and is subject to announcement requirement but exempt from TACI Shareholders' approval requirement under Chapter 14 of the Listing Rules.

AGL

As Greatway (Shenzhen) is an indirect wholly-owned subsidiary of TACI, which in turn is an indirect non wholly-owned subsidiary of AGL, the entering into of the Fourth Supplemental Shareholder's Loan Agreement by Greatway (Shenzhen) shall be a transaction for AGL under the Listing Rules as the definition of "listed issuer" under Chapter 14 of the Listing Rules shall include the listed issuer's subsidiaries.

As one of the Percentage Ratios in respect of the provision of the Shareholder's Loan pursuant to the Fourth Supplemental Shareholder's Loan Agreement exceeds 5% but is less than 25%, the entering into of the Fourth Supplemental Shareholder's Loan Agreement constitutes a discloseable transaction for AGL and is subject to announcement requirement but exempt from AGL Shareholders' approval requirement under Chapter 14 of the Listing Rules.

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”	the directors of AGL
“AGL Shareholders”	the shareholders of AGL
“Drawdown Date”	the date on which the Shareholder's Loan is first drawn down

“Fourth Supplemental Shareholder’s Loan Agreement”	the supplemental loan agreement dated 4th April, 2022 entered into among Greatway (Shenzhen), Xianghe Min-Hoong and Shenzhen Chenkang to amend certain terms in the Shareholder’s Loan Agreement
“Greatway (Shenzhen)”	Greatway (Shenzhen) Investment Consulting Company Limited* (應威(深圳)投資諮詢有限公司), a company established in the PRC with limited liability, being an indirect wholly-owned subsidiary of TACI
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“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
“PRC”	the People’s Republic of China, for the purpose of this joint announcement only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“Previous Announcement”	the announcement issued by TACI on 2nd June, 2020 in respect of a discloseable transaction of TACI
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder’s Loan(s)”	the shareholder’s loan provided by Greatway (Shenzhen) to Xianghe Min-Hoong from time to time
“Shareholder’s Loan Agreement”	the loan agreement dated 21st September, 2017 (as amended by the Supplemental Loan Agreements) in respect of the Shareholder’s Loan in the amount up to RMB850,000,000 (equivalent to approximately HK\$1,049,383,000)
“Shenzhen Chenkang”	Shenzhen Chenkang Technology Co., Ltd.* (深圳辰康科技有限公司), a company established in the PRC with limited liability, being an indirect 50%-owned joint venture of TACI
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Loan Agreements”	collectively, the first supplemental loan agreement dated 29th May, 2018, the second supplemental loan agreement dated 18th December, 2018 and the third supplemental loan agreement dated 2nd June, 2020 entered into between Greatway (Shenzhen) and Xianghe Min-Hoong

“TACI”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 28), being an indirect non wholly-owned subsidiary of AGL
“TACI Board”	the board of TACI Directors
“TACI Directors”	the directors of TACI
“TACI Group”	TACI and its subsidiaries
“TACI Shareholders”	the shareholders of TACI
“Xianghe Min-Hoong”	Xianghe Min-Hoong Real Estate Development Co., Ltd.* (香河明鴻房地產開發有限公司), a company established in the PRC with limited liability, being an indirect 50%-owned joint venture of TACI
“Xianghe Chenkang”	Xianghe Chenkang Real Estate Development Co., Ltd.* (香河辰康房地產開發有限公司), a company established in the PRC with limited liability, being a wholly-owned subsidiary of Shenzhen Chenkang
“%”	per cent.

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

On behalf of the TACI Board
Tian An China Investments Company Limited
Tao Tsan Sang
Executive Director

Hong Kong, 4th April, 2022

For the purpose of this joint announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.81. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

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, Ms. Lisa Yang Lai Sum and Mr. Kelvin Chau Kwok Wing being the Independent Non-Executive Directors.

As at the date of this joint announcement, the TACI Board comprises Mr. Song Zengbin (Deputy Chairman), Mr. Patrick Lee Seng Wei (Managing Director), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; Mr. Lee Seng Hui (Chairman) and Dr. Moses Cheng Mo Chi being the Non-Executive Directors; and Mr. Francis J. Chang Chu Fai, Mr. Jin Hui Zhi, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.

* *The English translation of the Chinese name of the relevant entity included in this joint announcement is for identification and reference only, and such translation may not be accurate and such entity may not have an official English translation/version of its Chinese name.*