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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)



新鴻基有限公司
SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 86)

**JOINT ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
LOAN TRANSACTION**

EXTENSION OF LOAN REPAYMENT DATE

As advised and confirmed by SHK, on 27 January 2022, SHKFL as lender entered into the Loan Agreement with Individual B as borrower and Individual A, Company A and Company C as joint guarantors, pursuant to which, SHKFL agreed to, among other things, make available to Individual B the Loan of HK\$35,000,000 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, on 2 September 2022, SHKFL as lender entered into the Supplemental Loan Agreement with Individual B as borrower and Individual A, Company A and Company C as joint guarantors, pursuant to which, SHKFL agreed to, among other things, extend the repayment date for the outstanding principal of the Loan from 27 July 2022 to 27 January 2023 and discharge Company C from all its obligations under the Loan Agreement on the terms and subject to the conditions therein.

As advised and confirmed by SHK, on 17 March 2023, SHKFL as lender entered into the Second Supplemental Loan Agreement with Individual B as borrower and Individual A and Company A as joint guarantors, pursuant to which, SHKFL agreed to, among other things, further extend the repayment date for the outstanding principal of the Loan from 27 January 2023 to 27 July 2023 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, on 27 July 2023, SHKFL as lender entered into the Third Supplemental Loan Agreement with Individual B as borrower and Individual A and Company A as joint guarantors, pursuant to which, SHKFL agreed to, among other things, further extend the repayment date for the outstanding principal of the Loan from 27 July 2023 to 29 January 2024 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, a Deed of Guarantee (Company B) was executed by Company B in favour of SHKFL under the Loan Transaction.

As advised and confirmed by SHK, as at the date of the Third Supplemental Loan Agreement, the outstanding principal of the Loan in the amount of HK\$10,000,000 remained outstanding and due to be repaid by Individual B to SHKFL.

THE SHKCL 2021 LOAN TRANSACTION

As advised and confirmed by SHK, on 7 May 2021, SHKCL as lender entered into the SHKCL 2021 Loan Agreement with Company A as borrower and Individual A as guarantor, pursuant to which SHKCL agreed to, among other things, make available to Company A a loan of HK\$130,000,000 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, on 21 June 2023, SHKCL as lender entered into the Supplemental SHKCL 2021 Loan Agreement with Company A as borrower and Individual A as guarantor, pursuant to which SHKCL agreed to, among other things, extend the repayment date of the outstanding principal of the said loan from 10 May 2023 to 21 June 2025 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, the said loan is secured by a first legal charge over a property situated at Repulse Bay, Hong Kong executed by Company A in favour of SHKCL.

As advised and confirmed by SHK, as at the date of this joint announcement, the outstanding principal of the loan under the SHKCL 2021 Loan Agreement as amended and/or supplemented by the Supplemental SHKCL 2021 Loan Agreement in the amount of HK\$130,000,000 remained outstanding and due to be repaid by Company A to SHKCL.

THE SHKCL 2022 LOAN TRANSACTION

As advised and confirmed by SHK, on 23 February 2022, SHKCL as lender entered into the SHKCL 2022 Loan Agreement with Company A and Company B as joint borrowers and Individual A and Individual B as joint guarantors, pursuant to which, SHKCL agreed to, among other things, make available to Company A and Company B a loan of HK\$150,000,000 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, the said loan is secured by a share mortgage over the entire issued shares of Company A, a share mortgage over the entire issued shares of Company B, property mortgages and assignments of rental income over certain properties situated at Repulse Bay, Hong Kong.

As advised and confirmed by SHK, as at the date of this joint announcement, the outstanding principal of the loan under the SHKCL 2022 Loan Agreement in the amount of HK\$150,000,000 remained outstanding and due to be repaid by Company A and Company B to SHKCL.

LISTING RULES IMPLICATIONS

As each of SHKFL and SHKCL is an indirect non-wholly owned subsidiary of SHK, which in turn is an indirect non-wholly owned subsidiary of AGL, the Transaction entered into by SHKFL shall be regarded as a transaction for each of SHK and 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 advised and confirmed by SHK, the Transaction, on a stand-alone basis, does not constitute a notifiable transaction for SHK on the basis that none of the percentage ratio(s) exceeds 5%. However, as advised and confirmed by SHK, the Transaction, when aggregated with the SHKCL 2021 Loan Transaction and the SHKCL 2022 Loan Transaction in accordance with the Listing Rules, constitutes a discloseable transaction for SHK on the basis that the relevant percentage ratio(s) of SHK exceeds 5% but is below 25%.

As advised and confirmed by AGL, 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%. However, as advised and confirmed by AGL, the Transaction, when aggregated with the SHKCL 2021 Loan Transaction and the SHKCL 2022 Loan 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%.

EXTENSION OF LOAN REPAYMENT DATE

As advised and confirmed by SHK, on 27 January 2022, SHKFL as lender entered into the Loan Agreement with Individual B as borrower and Individual A, Company A and Company C as joint guarantors, pursuant to which, SHKFL agreed to, among other things, make available to Individual B the Loan of HK\$35,000,000 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, on 2 September 2022, SHKFL as lender entered into the Supplemental Loan Agreement with Individual B as borrower and Individual A, Company A and Company C as joint guarantors, pursuant to which, SHKFL agreed to, among other things, extend the repayment date for the outstanding principal of the Loan from 27 July 2022 to 27 January 2023 and discharge Company C from all its obligations under the Loan Agreement on the terms and subject to the conditions therein.

As advised and confirmed by SHK, on 17 March 2023, SHKFL as lender entered into the Second Supplemental Loan Agreement with Individual B as borrower and Individual A and Company A as joint guarantors, pursuant to which, SHKFL agreed to, among other things, further extend the repayment date for the outstanding principal of the Loan from 27 January 2023 to 27 July 2023 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, on 27 July 2023, SHKFL as lender entered into the Third Supplemental Loan Agreement with Individual B as borrower and Individual A and Company A as joint guarantors, pursuant to which, SHKFL agreed to, among other things, further extend the repayment date for the outstanding principal of the Loan from 27 July 2023 to 29 January 2024 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, as at the date of the Third Supplemental Loan Agreement, the outstanding principal of the Loan in the amount of HK\$10,000,000 remained outstanding and due to be repaid by Individual B to SHKFL.

THE THIRD SUPPLEMENTAL LOAN AGREEMENT

Date : 27 July 2023

Parties : (1) SHKFL;

(2) Individual B;

(3) Individual A; and

(4) Company A.

As advised and confirmed by SHK, which has made all reasonable enquiries, and based on the confirmation of Individual B, Individual A, Company A and Company B, and to the best knowledge, information and belief of the SHK Directors and AGL Directors, having made all reasonable enquiries, Individual B, Individual A, Company A and Company B and their ultimate beneficial owners are all third parties independent of and not connected with SHK or AGL or any of their respective connected persons.

PRINCIPAL TERMS OF THE THIRD SUPPLEMENTAL LOAN AGREEMENT

As advised and confirmed by SHK, pursuant to the Third Supplemental Loan Agreement, the Loan Agreement has now been amended and supplemented, among other things, as follows:

Interest rate : (i) 26.444196% per annum from 27 January 2022 to 26 February 2022;

(ii) 24% per annum from 27 February 2022 to 26 July 2022;

(iii) 28.203030% per annum from 27 July 2022 to 29 August 2022;

(iv) 24% per annum from 30 August 2022 to 26 January 2023;

(v) 31.064516% per annum from 27 January 2023 to 26 February 2023;

(vi) 24% per annum from 27 February 2023 to 26 July 2023;

(vii) 32.098438% per annum from 27 July 2023 to 28 August 2023; and

(viii) 24% per annum thereafter.

Repayment date : 29 January 2024 or such other date as may be agreed in writing between SHKFL and Individual B.

Deed of Guarantee (Company B)

As advised and confirmed by SHK, a Deed of Guarantee (Company B) was executed by Company B in favour of SHKFL under the Loan Transaction. SHKFL shall have rights, among other things, to demand payment and satisfaction from Company B of all monies, debts and liabilities due but unpaid 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.

As advised and confirmed by SHK, save for the amendments in the Third Supplemental Loan Agreement, the provisions of the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement and the Second Supplemental Loan Agreement and the rights and obligations thereunder shall remain in full force and effect.

THE SHKCL 2021 LOAN TRANSACTION

As advised and confirmed by SHK, on 7 May 2021, SHKCL as lender entered into the SHKCL 2021 Loan Agreement with Company A as borrower and Individual A as guarantor, pursuant to which SHKCL agreed to, among other things, make available to Company A a loan of HK\$130,000,000 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, on 21 June 2023, SHKCL as lender entered into the Supplemental SHKCL 2021 Loan Agreement with Company A as borrower and Individual A as guarantor, pursuant to which SHKCL agreed to, among other things, extend the repayment date of the outstanding principal of the said loan from 10 May 2023 to 21 June 2025 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, the said loan is secured by a first legal charge over a property situated at Repulse Bay, Hong Kong executed by Company A in favour of SHKCL.

As advised and confirmed by SHK, as at the date of this joint announcement, the outstanding principal of the loan under the SHKCL 2021 Loan Agreement as amended and/or supplemented by the Supplemental SHKCL 2021 Loan Agreement in the amount of HK\$130,000,000 remained outstanding and due to be repaid by Company A to SHKCL.

THE SHKCL 2022 LOAN TRANSACTION

As advised and confirmed by SHK, on 23 February 2022, SHKCL as lender entered into the SHKCL 2022 Loan Agreement with Company A and Company B as joint borrowers and Individual A and Individual B as joint guarantors, pursuant to which, SHKCL agreed to, among other things, make available to Company A and Company B a loan of HK\$150,000,000 on the terms and subject to the conditions therein.

As advised and confirmed by SHK, the said loan is secured by a share mortgage over the entire issued shares of Company A, a share mortgage over the entire issued shares of Company B, property mortgages and assignments of rental income over certain properties situated at Repulse Bay, Hong Kong.

As advised and confirmed by SHK, as at the date of this joint announcement, the outstanding principal of the loan under the SHKCL 2022 Loan Agreement in the amount of HK\$150,000,000 remained outstanding and due to be repaid by Company A and Company B to SHKCL.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by SHK, the terms of the Third Supplemental Loan Agreement, including the interest rates applicable, were arrived at after arm's length negotiations between SHKFL and Individual B having taken into account the prevailing market interest rates and practices. Based on the confirmation by SHK, the Third Supplemental Loan Agreement was entered into by SHKFL having regard to (i) the costs of borrowing in providing the Loan to Individual B; and (ii) the interest income to be generated by the Transaction. In addition, as advised and confirmed by SHK, the Transaction is part of the ordinary and usual course of business of SHKFL. As advised and confirmed by SHK, in view of the above, the SHK 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 SHK and its shareholders taken as a whole.

Based on the information and the confirmation provided by SHKFL and 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.

INFORMATION ABOUT AGL, SHK, SHKFL, INDIVIDUAL B, INDIVIDUAL A, COMPANY A AND COMPANY B

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 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, logistics services, and the provision of finance, investments in listed and unlisted securities and funds management.

SHK

SHK 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 SHK is investment holding. The principal business activities of its major subsidiaries are financing which includes consumer finance, private credit & mortgage loans, and investment management & funds management.

As at the date of this joint announcement, SHK is beneficially owned as to approximately 73.33% by AGL.

SHKFL

As advised and confirmed by SHK, SHKFL is a company incorporated in Hong Kong with limited liability and is an indirect non-wholly owned subsidiary of SHK.

As advised and confirmed by SHK, the principal business activity of the Lender is provision of money lending services. SHKFL holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

Individual B

As advised and confirmed by SHK and based on the confirmation of Individual B, Individual B is an individual and ultimate beneficial owner as to approximately 49% interest in and a director of Company A and a beneficial owner as to 49% interest in and a director of Company B.

Individual A

As advised and confirmed by SHK and based on the confirmation of Individual A, Individual A is an individual and ultimate beneficial owner as to approximately 51% interest in and a director of Company A and a beneficial owner as to 51% interest in and a director of Company B.

Company A

As advised and confirmed by SHK, Company A is a company incorporated in Hong Kong with limited liability.

As advised and confirmed by SHK and based on the confirmation of Company A, the principal business activity of Company A is property investment holding in Hong Kong.

Company B

As advised and confirmed by SHK, Company B is a company incorporated in the British Virgin Islands with limited liability.

As advised and confirmed by SHK and based on the confirmation of Company B, the principal business activity of Company B is property investment holding in Hong Kong.

LISTING RULES IMPLICATIONS

As each of SHKFL and SHKCL is an indirect non-wholly owned subsidiary of SHK, which in turn is an indirect non-wholly owned subsidiary of AGL, the Transaction entered into by SHKFL shall be regarded as a transaction for each of SHK and 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 advised and confirmed by SHK, the Transaction, on a stand-alone basis, does not constitute a notifiable transaction for SHK on the basis that none of the percentage ratio(s) exceeds 5%. However, as advised and confirmed by SHK, the Transaction, when aggregated with the SHKCL 2021 Loan Transaction and the SHKCL 2022 Loan Transaction in accordance with the Listing Rules, constitutes a discloseable transaction for SHK on the basis that the relevant percentage ratio(s) of SHK exceeds 5% but is below 25%.

As advised and confirmed by AGL, 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%. However, as advised and confirmed by AGL, the Transaction, when aggregated with the SHKCL 2021 Loan Transaction and the SHKCL 2022 Loan 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:

“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;
“Company A”	Upper Harvest International Limited, a company incorporated in Hong Kong with limited liability, indirectly owned as to approximately 51% by Individual A and as to approximately 49% by Individual B as ultimate beneficial owners as at the date of this joint announcement;
“Company B”	Belford Assets Management Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, beneficially owned as to 51% by Individual A and as to 49% by Individual B as at the date of this joint announcement;
“Company C”	China Richland Holdings Limited, a company incorporated in Hong Kong with limited liability;
“connected persons”	having the meaning ascribed to it under the Listing Rules;

“Deed of Guarantee (Company B)”	a deed of guarantee dated 17 March 2023 incorporating a Hong Kong law governed irrevocable and unconditional guarantee executed by Company B in favour of SHKFL under the Loan Transaction;
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Individual A”	Yan Kim Po, being an ultimate beneficial owner as to approximately 51% interest in and a director of Company A; and being a beneficial owner as to 51% interest in and a director of Company B as at the date of this joint announcement;
“Individual B”	Lam Kwan, being an ultimate beneficial owner as to approximately 49% interest in and a director of Company A; and being a beneficial owner as to 49% interest in and a director of Company B as at the date of this joint announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan in the total amount of HK\$35,000,000 made available by SHKFL to Individual B on the terms and subject to the conditions set out in the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement, the Second Supplemental Loan Agreement and the Third Supplemental Loan Agreement;
“Loan Agreement”	the loan agreement entered into among SHKFL as lender, Individual B as borrower and Individual A, Company A and Company C as joint guarantors on 27 January 2022;

“Loan Transaction”	the transaction contemplated 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;
“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;
“Second Supplemental Loan Agreement”	the second supplemental loan agreement in respect of the Loan Agreement entered into among SHKFL as lender, Individual B as borrower and Individual A and Company A as joint guarantors on 17 March 2023;
“SHK”	Sun Hung Kai & Co. 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: 86) and an indirect non-wholly owned subsidiary of AGL;
“SHK Board”	the board of SHK Directors;
“SHK Directors”	directors of SHK;
“SHKCL”	Sun Hung Kai Credit Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of SHK, being the lender under the SHKCL 2021 Loan Agreement as amended and/or supplemented by the Supplemental SHKCL 2021 Loan Agreement; and the lender under the SHKCL 2022 Loan Agreement;
“SHKCL 2021 Loan Agreement”	the loan agreement entered into among SHKCL as lender, Company A as borrower and Individual A as guarantor on 7 May 2021;

“SHKCL 2021 Loan Transaction”	the transaction contemplated under the SHKCL 2021 Loan Agreement as amended and/or supplemented by the Supplemental SHKCL 2021 Loan Agreement;
“SHKCL 2022 Loan Agreement”	the loan agreement entered into among SHKCL as lender, Company A and Company B as joint borrowers and Individual A and Individual B as joint guarantors on 23 February 2022;
“SHKCL 2022 Loan Transaction”	the transaction contemplated under the SHKCL 2022 Loan Agreement;
“SHKFL”	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 as amended and/or supplemented by the Supplemental Loan Agreement, the Second Supplemental Loan Agreement and the Third Supplemental Loan Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Loan Agreement”	the supplemental loan agreement in respect of the Loan Agreement entered into among SHKFL as lender, Individual B as borrower and Individual A, Company A and Company C as joint guarantors on 2 September 2022;
“Supplemental SHKCL 2021 Loan Agreement”	the supplemental loan agreement in respect of the SHKCL 2021 Loan Agreement entered into among SHKCL as lender, Company A as borrower and Individual A as guarantor on 21 June 2023;
“Third Supplemental Loan Agreement”	the third supplemental loan agreement in respect of the Loan Agreement entered into among SHKFL as lender, Individual B as borrower and Individual A and Company A as joint guarantors on 27 July 2023;

“Transaction” the transaction contemplated under the Third Supplemental Loan Agreement;

“%” per cent.

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

On behalf of the SHK Board
Sun Hung Kai & Co. Limited
Brendan James McGraw
Executive Director

Hong Kong, 27 July 2023

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), Mr. Akihiro Nagahara (Vice 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 SHK Board comprises Messrs. Lee Seng Huang (Group Executive Chairman) and Brendan James McGraw being the Executive Directors; Mr. Simon Chow Wing Charn and Mr. Peter Anthony Curry being the Non-Executive Directors; and Mr. Evan Au Yang Chi Chun, Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Vivian Alexa Kao, Ms. Jacqueline Alee Leung and Mr. Wayne Robert Porritt being the Independent Non-Executive Directors.