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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 FINANCIAL ASSISTANCE

THE 2025 AGREEMENT

As advised and confirmed by TACI, on 22nd January, 2025, TACI, Sino Trader (an indirect wholly-owned subsidiary of TACI, which in turn is an indirect non wholly-owned subsidiary of AGL, and the holder of 60% of the issued share capital of the JV Company), Beauty Pearl (the holder of 40% of the issued share capital of the JV Company) and the JV Company entered into the 2025 Agreement, pursuant to which TACI agrees that it shall procure Sino Trader or any subsidiary of TACI to make available to the JV Company or any of its subsidiaries the 2025 Loan in the amount of up to RMB260,000,000 (equivalent to approximately HK\$282,609,000).

PROVISION OF THE GUARANTEE

As advised and confirmed by TACI, on 4th July, 2022, TACI, Sino Trader and Beauty Pearl entered into the 2022 Agreement pursuant to which, among other things, TACI agreed to provide guarantee(s) in favour of the Lenders for the performance by the Project Company of all of its obligations (including any payment obligation) under the loans to be obtained from time to time by the Project Company, provided that the aggregate outstanding principal amount of such loans shall not exceed RMB300,000,000 (equivalent to approximately HK\$326,087,000). Subsequently, on 13th September, 2022, TACI entered into the 2022 Guarantee Agreement in favour of the Lender Bank, pursuant to which TACI agreed to provide the Guarantee in respect of the repayment obligations of the Project Company, as principal or as surety, of up to RMB300,000,000 (equivalent to approximately HK\$326,087,000) which the Project Company may become liable to pay to the Lender Bank.

PROVISION OF THE SHAREHOLDER'S LOAN

As advised and confirmed by TACI, as at the date of this joint announcement, the TACI Group has made available to the JV Company or the Project Company (as the case may be) the Shareholder's Loan in an aggregate amount of RMB73,909,000 (equivalent to approximately HK\$80,336,000).

LISTING RULES IMPLICATIONS

TACI

As none of the relevant Percentage Ratios in respect of the provision of the 2025 Loan on a standalone basis exceeds 5%, the provision of the 2025 Loan on a standalone basis does not constitute a notifiable transaction for TACI under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of the provision of the 2025 Loan, the Guarantee and the Shareholder's Loan in aggregate in accordance with Rule 14.22 of the Listing Rules, exceeds 5% but is less than 25%, the provision of the 2025 Loan, the Guarantee and the Shareholder's Loan constitute a discloseable transaction for TACI and are subject to announcement requirement but exempt from TACI Shareholders' approval requirement under Chapter 14 of the Listing Rules.

AGL

As one of the relevant Percentage Ratios in respect of the provision of the 2025 Loan on a standalone basis exceeds 5%, the provision of the 2025 Loan on a standalone basis constitutes a notifiable transaction for AGL under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of the provision of the 2025 Loan, the Guarantee and the Shareholder's Loan in aggregate in accordance with Rule 14.22 of the Listing Rules, exceeds 5% but is less than 25%, the provision of the 2025 Loan, the Guarantee and the Shareholder's Loan constitute a discloseable transaction for AGL and are subject to announcement requirement but exempt from AGL Shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE 2025 AGREEMENT

As advised and confirmed by TACI, on 22nd January, 2025, TACI, Sino Trader (an indirect wholly-owned subsidiary of TACI, which in turn is an indirect non wholly-owned subsidiary of AGL, and the holder of 60% of the issued share capital of the JV Company), Beauty Pearl (the holder of 40% of the issued share capital of the JV Company) and the JV Company entered into the 2025 Agreement, pursuant to which TACI agrees that it shall procure Sino Trader or any subsidiary of TACI to make available to the JV Company or any of its subsidiaries the 2025 Loan in the amount of up to RMB260,000,000 (equivalent to approximately HK\$282,609,000).

As advised and confirmed by TACI, the details of the 2025 Loan are as follows:

Parties:	(1) Sino Trader or any subsidiary of TACI, as lender; and (2) the JV Company or any of its subsidiaries, as borrower
Loan amount:	up to RMB260,000,000 (equivalent to approximately HK\$282,609,000)
Purpose:	general working capital purposes for Land II
Term:	thirty-six (36) months from the date of the formal loan agreement to be entered into between the lender and the borrower
Interest rate:	5.5% per annum
Security:	the Debenture
Other terms:	A subordination deed will be executed by the immediate holding company(ies) of the borrower of the 2025 Loan (“ Hold Co ”) in favour of the lender of the 2025 Loan, where all shareholder’s loan(s) (“ Hold Co Shareholder’s Loan ”) due from the borrower to the Hold Co will be subordinated to all indebtedness due from the borrower to the lender (including the 2025 Loan and interest accrued thereon), and the Hold Co Shareholder’s Loan will not be payable until all such indebtedness is satisfied in full (unless the lender of the 2025 Loan agrees otherwise)

As advised and confirmed by TACI, the terms of the 2025 Loan have been determined after arm’s length negotiation among TACI, Sino Trader, Beauty Pearl and the JV Company having taken into account the prevailing market interest rates and the tenor of the 2025 Loan. The 2025 Loan will be funded by the internal resources of the TACI Group.

PROVISION OF THE GUARANTEE

As advised and confirmed by TACI, on 4th July, 2022, TACI, Sino Trader and Beauty Pearl entered into the 2022 Agreement pursuant to which, among other things, TACI agreed to provide guarantee(s) in favour of the Lenders for the performance by the Project Company of all of its obligations (including any payment obligation) under the loans to be obtained from time to time by the Project Company, provided that the aggregate outstanding principal amount of such loans shall not exceed RMB300,000,000 (equivalent to approximately HK\$326,087,000). Subsequently, on 13th September, 2022, TACI entered into the 2022 Guarantee Agreement in favour of the Lender Bank, pursuant to which TACI agreed to provide the Guarantee in respect of the repayment obligations of the Project Company, as principal or as surety, of up to RMB300,000,000 (equivalent to approximately HK\$326,087,000) which the Project Company may become liable to pay to the Lender Bank. As at the date of this joint announcement, the Lender Bank has provided (i) a loan in the amount of RMB250,000,000 (equivalent to approximately HK\$271,739,000) to the Project Company; and (ii) another loan in the amount of RMB50,000,000 (equivalent to approximately HK\$54,348,000) to a wholly-owned subsidiary of the Project Company and guaranteed by the Project Company.

As advised and confirmed by TACI, pursuant to the JV Agreement, where external financing is required to finance the development of Land I and if any undertakings are required to be given as a condition to such external financing, such undertakings shall be given in proportion to the 60% and 40% shareholding interest held by Sino Trader and Beauty Pearl in the JV Company, respectively.

As advised and confirmed by TACI and as such, Beauty Pearl entered into the Counter-indemnity Agreement in favour of TACI, whereby Beauty Pearl shall counter-indemnify TACI for the Relevant Proportion of (i) any payment made or required to be made in satisfaction of TACI's obligations under the Guarantee; and (ii) all claims which TACI may incur under the Guarantee or its performance or observance of any obligations or liabilities under or in connection with the Guarantee. Beauty Pearl further agreed to pledge all its shares in the JV Company in favour of Sino Trader and assign to Sino Trader (a) all shareholder's loan(s) owed by the JV Company to Beauty Pearl which are outstanding as at the date of the Counter-indemnity Agreement; and (b) any shareholder's loan(s) to be advanced by Beauty Pearl to the JV Company thereafter during the term of the Counter-indemnity Agreement, as securities for the due performance and observance of Beauty Pearl's obligations under the counter-indemnity.

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 40% of the issued share capital that Beauty Pearl holds in the JV Company in relation to the joint development of Land I and Land II, Beauty Pearl and its ultimate beneficial owner (i.e. Mr. Go) are all third parties independent of each of TACI, AGL and their respective connected persons.

PROVISION OF THE SHAREHOLDER'S LOAN

As advised and confirmed by TACI, the TACI Group has from time to time granted shareholder's loans to the JV Company or the Project Company (as the case may be). As at the date of this joint announcement, Nanjing Tiandu (an indirect wholly-owned subsidiary of TACI) or Sino Trader (as the case may be) has made available to the JV Company or the Project Company (as the case may be) the Shareholder's Loan in an aggregate amount of RMB73,909,000 (equivalent to approximately HK\$80,336,000) which is interest-free and shall be repayable on demand. As at the date of this joint announcement, the Shareholder's Loan has been drawn down.

As advised and confirmed by TACI, the purpose of the Shareholder's Loan is for the working capital of the Project Company.

As advised and confirmed by TACI, the Shareholder's Loan was determined after arm's length negotiation between Nanjing Tiandu or Sino Trader (as the case may be) and the JV Company or the Project Company (as the case may be) having taken into account the working capital needs of the Project Company. The Shareholder's Loan was funded by the internal resources of the TACI Group.

REASONS FOR AND BENEFITS OF PROVISION OF THE 2025 LOAN, THE GUARANTEE AND THE SHAREHOLDER'S LOAN

As advised and confirmed by TACI, the TACI Directors are of the view that the entering into of the 2025 Agreement will provide funding for the working capital (including development costs) of Land II, in which the TACI Group has a 60% share of profits.

Similarly, the provision of the Guarantee is incidental to the grant of loans by the Lender Bank to the Project Company or its subsidiary, which in turn forms an integral part of the development of Land I and the operations of the JV Company.

Although the provision of the Guarantee was not in proportion to the 60% shareholding interest held by Sino Trader in the JV Company, in accordance with the Counter-indemnity Agreement, Beauty Pearl agreed to counter-indemnify TACI for the Relevant Proportion of (i) any payment made or required to be made in satisfaction of TACI's obligations under the Guarantee; and (ii) all claims which TACI may incur under the Guarantee or its performance or observance of any obligations or liabilities under or in connection with the Guarantee.

In relation to the Shareholder's Loan, the TACI Directors consider that provision of the Shareholder's Loan improves the financial position of the JV Company or the Project Company as a whole.

Having considered the above, the TACI Directors are of the view that the provision of the 2025 Loan under the 2025 Agreement, the Guarantee and the Shareholder's Loan are entered into on normal commercial terms, and 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 consider that the provision of 2025 Loan under the 2025 Agreement, the Guarantee and the Shareholder's Loan are fair and reasonable and in the interests of AGL and the AGL Shareholders as a whole.

INFORMATION RELATING TO TACI, SINO TRADER, BEAUTY PEARL, THE JV COMPANY, NANJING TIANDU, THE PROJECT COMPANY, THE BANK AND AGL

(1) TACI

TACI is 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. The TACI Group is engaged principally in: (i) the development and investment of residential, office and commercial properties; (ii) property management; (iii) investment and operation of healthcare, hospital, eldercare and related businesses on the mainland in the PRC, as well as property investment and property management in Hong Kong.

(2) Sino Trader

As advised and confirmed by TACI, Sino Trader is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of TACI and owns 60% of the issued share capital of the JV Company.

The principal business activity of Sino Trader is investment holding.

(3) Beauty Pearl

As advised and confirmed by TACI, Beauty Pearl is a company incorporated in the British Virgin Islands with limited liability and is beneficially owned by Mr. Go and owns 40% of the issued share capital of the JV Company.

The principal business activity of Beauty Pearl is investment holding.

(4) The JV Company

As advised and confirmed by TACI, the JV Company is a company incorporated in the British Virgin Islands with limited liability and is directly owned as to 60% by Sino Trader (which in turn is an indirect wholly-owned subsidiary of TACI) and 40% by Beauty Pearl (which is beneficially owned by Mr. Go).

The principal business activity of the JV Company is investment holding.

(5) Nanjing Tiandu

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

The principal business activity of Nanjing Tiandu is property investment.

(6) The Project Company

As advised and confirmed by TACI, the Project Company is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the JV Company. The JV Company is owned as to 60% by Sino Trader (which in turn is an indirect wholly-owned subsidiary of TACI) and 40% by Beauty Pearl (which in turn is beneficially owned by Mr. Go).

The principal business activity of the Project Company is property development.

(7) The Bank

As advised and confirmed by TACI, the Bank is a company established in the PRC with limited liability and is a wholly-owned subsidiary of The Bank of East Asia, Limited whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 23).

The principal business activity of the Bank is banking and related financial services.

(8) 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 development and investment of residential, office and commercial properties, hospitality related activities, investment and operation of healthcare, hospital, eldercare and related businesses, provision of property management, cleaning and security guarding services, and the provision of finance, investments in listed and unlisted securities and funds management.

LISTING RULES IMPLICATIONS

TACI

As none of the relevant Percentage Ratios in respect of the provision of the 2025 Loan on a standalone basis exceeds 5%, the provision of the 2025 Loan on a standalone basis does not constitute a notifiable transaction for TACI under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of the provision of the 2025 Loan, the Guarantee and the Shareholder's Loan in aggregate in accordance with Rule 14.22 of the Listing Rules, exceeds 5% but is less than 25%, the provision of the 2025 Loan, the Guarantee and the Shareholder's Loan constitute a discloseable transaction for TACI and are subject to announcement requirement but exempt from TACI Shareholders' approval requirement under Chapter 14 of the Listing Rules.

AGL

As TACI is an indirect non wholly-owned subsidiary of AGL, the entering into of the 2025 Agreement and the 2022 Agreement by TACI as well as the provision of the Shareholder's Loan shall be transactions 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 relevant Percentage Ratios in respect of the provision of the 2025 Loan on a standalone basis exceeds 5%, the provision of the 2025 Loan on a standalone basis constitutes a notifiable transaction for AGL under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of the provision of the 2025 Loan, the Guarantee and the Shareholder's Loan in aggregate in accordance with Rule 14.22 of the Listing Rules, exceeds 5% but is less than 25%, the provision of the 2025 Loan, the Guarantee and the Shareholder's Loan constitute a discloseable transaction for AGL and are subject to announcement requirement but exempt from AGL Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

"2022 Agreement"	the framework agreement dated 4th July, 2022 entered into among TACI, Sino Trader and Beauty Pearl
"2022 Guarantee Agreement"	the guarantee agreement dated 13th September, 2022 entered into by TACI in favour of the Lender Bank
"2025 Agreement"	the framework agreement dated 22nd January, 2025 entered into among TACI, Sino Trader, Beauty Pearl and the JV Company in relation to the provision of the 2025 Loan
"2025 Loan"	the loan in the amount of up to RMB260,000,000 (equivalent to approximately HK\$282,609,000) to be made available by Sino Trader or any subsidiary of TACI to the JV Company or any of its subsidiaries
"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 director(s) of AGL
"AGL Shareholders"	the shareholder(s) of AGL
"Bank"	東亞銀行(中國)有限公司 (The Bank of East Asia (China) Limited), a company established in the PRC with limited liability

“Beauty Pearl”	Beauty Pearl Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and directly owns 40% of the issued share capital of the JV Company as at the date of this joint announcement
“connected persons”	having the meaning ascribed to it under the Listing Rules
“Counter-indemnity Agreement”	the counter-indemnity agreement dated 13th September, 2022 entered into by Beauty Pearl in favour of TACI
“Debenture”	the debenture to be executed by Accurate International Land Limited (an indirect wholly-owned subsidiary of the JV Company which directly holds the entire equity interest of the Project Company) in favour of the lender of the 2025 Loan, creating a first fixed and floating charge over its undertaking, property and assets
“Guarantee”	the guarantee provided by TACI in favour of the Lender Bank under the 2022 Guarantee Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“JV Agreement”	the joint venture agreement dated 29th July, 2016 entered into among Beauty Pearl, Sino Trader and the JV Company in relation to the joint development of, among other things, Land I and Land II
“JV Company”	Noble-Link Worldwide Inc., a company incorporated in the British Virgin Islands with limited liability and is directly owned as to 60% by Sino Trader and 40% by Beauty Pearl
“Land I”	a piece of land in Nanjing, the PRC with an area of 5,012 square metres
“Land II”	a piece of land in Nanjing, the PRC with an area of 5,370 square metres
“Lender(s)”	the external financier(s) identified or to be identified by the Project Company who provide or shall provide loans to the Project Company
“Lender Bank”	南京分行 (Nanjing branch*) of the Bank
“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
“Mr. Go”	Mr. Go Twan Seng, the ultimate beneficial owner of Beauty Pearl
“Nanjing Tiandu”	南京天都實業有限公司 (Nanjing Tiandu Industry Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of TACI
“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
“Project Company”	麥哲理 (南京) 房地產開發有限公司 (Accurate (Nanjing) Land Limited*), a company established in the PRC with limited liability, being an indirect wholly-owned subsidiary of the JV Company
“Relevant Proportion”	40%, being the shareholding interest held by Beauty Pearl in the JV Company as at the date of this joint announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder’s Loan”	the shareholder’s loan in the aggregate amount of RMB73,909,000 (equivalent to approximately HK\$80,336,000), comprising an amount of RMB44,359,000 (equivalent to approximately HK\$48,216,000) provided by Nanjing Tiandu to the Project Company and an amount of RMB29,550,000 (equivalent to approximately HK\$32,120,000) provided by Sino Trader to the JV Company
“Sino Trader”	Sino Trader Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of TACI, and directly owns 60% of the issued share capital of the JV Company as at the date of this joint announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 director(s) of TACI
“TACI Group”	TACI and its subsidiaries
“TACI Shareholders”	the shareholder(s) of TACI
“%”	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, 22nd January, 2025

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 RMB0.92. 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), 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 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. Jiang Guofang, 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.*