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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)



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

EXTENSION OF LOAN REPAYMENT DATE

References are made to the Previous Announcements in relation to a loan transaction between the Lender (an indirect wholly-owned subsidiary of SHK), the Borrower, Guarantor A, Guarantor B and the Subsidiary. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Previous Announcements.

As advised and confirmed by SHK, on 22nd July, 2016, the Lender entered into the Third Supplemental Loan Agreement with the Borrower, Guarantor A, Guarantor B and the Subsidiary, pursuant to which, the Lender agreed to, among other things, grant the Borrower the right to extend the repayment date for the Loan from 22nd July, 2016 to 22nd May, 2017. As at the date of the Third Supplemental Loan Agreement, HK\$700,000,000 of the Loan remained outstanding and due for repayment by the Borrower to the Lender.

As the Lender is an indirect wholly-owned subsidiary of SHK, which in turn is an indirect non 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 AGL, APL and SHK under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for each of AGL, APL and SHK on the basis that the relevant percentage ratio(s) of each of AGL, APL and SHK exceeds 5% but is below 25%.

References are made to the Previous Announcements in relation to a loan transaction between the Lender (an indirect wholly-owned subsidiary of SHK), the Borrower, Guarantor A, Guarantor B and the Subsidiary. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Previous Announcements.

THE TRANSACTION

As advised and confirmed by SHK, on 22nd July, 2016, the Lender entered into the Third Supplemental Loan Agreement with the Borrower, Guarantor A, Guarantor B and the Subsidiary, pursuant to which, the Lender agreed to, among other things, grant the Borrower the right to extend the repayment date for the Loan from 22nd July, 2016 to 22nd May, 2017. As at the date of the Third Supplemental Loan Agreement, HK\$700,000,000 of the Loan remained outstanding and due for repayment by the Borrower to the Lender.

The Third Supplemental Loan Agreement

Date: 22nd July, 2016

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
- (3) Guarantor A and Guarantor B as the guarantors for the Third Supplemental Loan Agreement
- (4) The Subsidiary as a party to the Third Supplemental Loan Agreement

As at the date of this joint announcement, as advised and confirmed by SHK, which has made all reasonable enquiries and based on the confirmations of the Borrower, Guarantor A, Guarantor B, Chargor A, Chargor B and the Subsidiary, and to the best knowledge, information and belief of the AGL Directors, APL Directors and SHK Directors, having made all reasonable enquiries, the Borrower and its ultimate beneficial shareholders (those who are holding an interest of 10% or more of voting shares of the Borrower and their respective ultimate beneficial shareholders (where applicable)); and Chargor A, Chargor B, the Subsidiary, Guarantor A and Guarantor B, are all third parties independent of AGL, APL and SHK and their respective connected persons.

The Terms of the Third Supplemental Loan Agreement

As advised and confirmed by SHK, pursuant to the Third Supplemental Loan Agreement, the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement and the Second Supplemental Loan Agreement has now been amended and supplemented, inter alia, that the date of repayment for the Loan shall be extended for a further term of ten months from 22nd July, 2016 to 22nd May, 2017.

Save for the amendment made by 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.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by SHK, the terms of the Third Supplemental Loan Agreement, including the interest rate applicable, were arrived at after arm's length negotiations between the Lender and the Borrower having taken into account the prevailing market interest rates and practices. Based on the confirmation of SHK, the Third Supplemental Loan Agreement was entered into by the Lender having regard to (i) the costs of borrowing in providing the Loan to the Borrower; (ii) the interest income to be generated by the Transaction; and (iii) the underlying securities. In addition, as advised and confirmed by SHK, the Transaction is part of the ordinary and usual course of business of the Lender. 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 SHK and to the best knowledge, information and belief of the APL Directors, the APL Directors consider that 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 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.

As advised and confirmed by APL, on 22nd July, 2016, the Borrower executed a deed of confirmation in favour of the Introducer pursuant to which, the Borrower agreed to, among other things, pay to the Introducer directly a referral fee of HK\$14,000,000 for the extension of the repayment date of the Loan on or before 25th July, 2016.

INFORMATION ABOUT AGL, APL, SHK, THE LENDER, THE BORROWER, GUARANTOR A, GUARANTOR B, THE SUBSIDIARY, CHARGOR A, CHARGOR B AND THE INTRODUCER

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, 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, 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.

SHK

SHK 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 SHK is investment holding. The principal business activities of its major subsidiaries are structured finance, consumer finance, mortgage loans and principal investments.

As at the date of this joint announcement, SHK is beneficially owned as to approximately 55.92% by APL.

The Lender

As advised and confirmed by SHK, the Lender is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of SHK. The principal business activities of the Lender are provision of loan finance and securities trading. The Lender holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

The Borrower

As advised and confirmed by SHK, the Borrower is a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange. The principal business activities of the Borrower are research and development, manufacturing, production, distribution, sales and/or leasing of batteries, battery management systems, battery packs, battery charging equipment, energy storage system, and/or other related products or applications and/or electric vehicles and/or their related core components and/or providing solutions or consultation to energy storage and/or various battery or electric vehicle business projects and/or any ancillary businesses.

Guarantor A

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

Guarantor B

As advised and confirmed by SHK, Guarantor B is an individual.

The Subsidiary

As advised and confirmed by SHK, the Subsidiary is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Borrower. The principal business activity of the Subsidiary is investment holding.

Chargor A

As advised and confirmed by SHK, Chargor A is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Borrower. The principal business activity of Chargor A is investment holding.

Chargor B

As advised and confirmed by SHK, Chargor B is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Borrower. The principal business activity of Chargor B is investment holding.

The Introducer

As advised and confirmed by APL, the Introducer is a company incorporated in the British Virgin Islands with limited liability, and is an indirect wholly-owned subsidiary of APL, and is principally engaged in property trading and holding, investment holding and consultancy services.

LISTING RULES IMPLICATIONS

As the Lender is an indirect wholly-owned subsidiary of SHK, which in turn is an indirect non 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 AGL, APL and SHK under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for each of AGL, APL and SHK on the basis that the relevant percentage ratio(s) of each of AGL, APL and SHK 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:

“Introducer”	AP Diamond Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of APL;
“Previous Announcements”	the announcements dated 22nd December, 2014 and 22nd September, 2015, both jointly made by AGL, APL and SHK;

“Third Supplemental Loan Agreement” the third supplemental agreement to the Loan Agreement entered into between the Lender as the lender and the Borrower as the borrower, Guarantor A and Guarantor B as the guarantors and the Subsidiary dated 22nd July, 2016, pursuant to which the Lender has agreed to, among other things, extend the repayment date for the Loan from 22nd July, 2016 to 22nd May, 2017; 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
Li Chi Kong
Executive Director

On behalf of the SHK Board
Sun Hung Kai & Co. Limited
Peter Anthony Curry
Executive Director

Hong Kong, 22nd July, 2016

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), Li Chi Kong and Mark Wong Tai Chun being the Executive Directors; Mr. Arthur George Dew (Chairman) being the Non-Executive Director; and Messrs. Steven Samuel Zoellner, Alan Stephen Jones and David Craig Bartlett 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), Simon Chow Wing Charn and Peter Anthony Curry being the Executive Directors; Mr. Jonathan Andrew Cimino (Mr. Joseph Kamal Iskander as his alternate) being the Non-Executive Director; and Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Jacqueline Alee Leung and Mr. Peter Wong Man Kong being the Independent Non-Executive Directors.