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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 ON THE EARLY REDEMPTION OF THE SHKFGL PREFERENCE SHARES

INTRODUCTION

References are made to the announcements dated 17 November 2020 (the “**17 November Announcement**”) and 18 November 2020, jointly issued by Allied Group Limited, Allied Properties (H.K.) Limited and Sun Hung Kai & Co. Limited (“**SHK**”) and circular dated 8 December 2020 of SHK (the “**Circular**”). Capitalised terms used herein shall have the same meanings as those defined in the aforesaid announcements and Circular unless the context requires otherwise.

As disclosed in the 17 November Announcement and the Circular,

- (i) On 17 November 2020, SHK, ESFH and SHKFGL entered into the Repurchase and Subscription Agreement to exercise the Put Right to require ESFH to buy the remaining 30% shareholding in SHKFGL held by SHK at the Consideration of (i) HK\$1,257,106,447 in cash; and (ii) HK\$1,156,000,000 in SHKFGL Preference Shares.
- (ii) As part of the Transaction, on 17 November 2020, SHK and respective parties also entered into, inter alia, the Amended and Restated Shareholders’ Agreement and the Charge Agreement. Terms relating to SHKFGL Preference Shares are set out in the 17 November Announcement and the Circular.
- (iii) To secure the obligation of SHKFGL under the Amended and Restated Shareholders’ Agreement, SHK and the Chargors entered into the Charge Agreement, pursuant to which, each of the Chargors agreed to charge in favour of SHK, including but not limited to, their respective loan portfolio as a continuing security for the payment, discharge and satisfaction of obligation due or owing by SHKFGL to SHK for redeeming the SHKFGL Preference Shares among other obligations under the Amended and Restated Shareholders’ Agreement.

EARLY REDEMPTION OF THE SHKFGL PREFERENCE SHARES

Optional Redemption

As advised and confirmed by SHK,

- (i) Pursuant to the terms and conditions of the Amended and Restated Shareholders' Agreement, ESFH may, in its sole discretion, require SHKFGL to redeem the 90,365,142 SHKFGL Preference Shares held by SHK at a sum specified therein ("**Optional Redemption**") on 1 June 2021 by giving not less than 14 days' written notice to SHKFGL and SHK.
- (ii) On 14 May 2021, ESFH has exercised the Optional Redemption by giving a written notice to SHKFGL and SHK.
- (iii) On 1 June 2021, SHKFGL has redeemed the 90,365,142 SHKFGL Preference Shares held by SHK for a sum of HK\$1,236,920,000 in accordance with the Optional Redemption. Accordingly, SHK has ceased to have any interest in the shares or securities of SHKFGL.

Release of Charge Agreement

As advised and confirmed by SHK, on 1 June 2021, SHK has unconditionally and irrevocably released and discharged the Chargors from all present and future obligations and liabilities owing to SHK under the Charge Agreement.

Resignation of Director

As advised and confirmed by SHK, Mr. Simon Chow Wing Charn has resigned as a director of each of SHKFGL and EBSHK both effective from 1 June 2021.

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
Simon Chow Wing Charn
Executive Director

Hong Kong, 1 June 2021

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 SHK Board comprises Messrs. Lee Seng Huang (Group Executive Chairman) and Simon Chow Wing Charn being the Executive Directors, Mr. Peter Anthony Curry being the Non-Executive Director 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.