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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)**

### **ANNOUNCEMENT PURSUANT TO RULE 14.36 OF THE LISTING RULES**

#### **NEW SECURITIES FOR THE AP DIAMOND LOAN**

References are made to the Announcements in relation to the AP Diamond Loan. On 23rd June, 2023, as additional new securities for the AP Diamond Loan, (i) Concord HK (as chargor) entered into the Debenture with AP Diamond (an indirect wholly-owned subsidiary of the Company), creating a second fixed and floating charge over its undertaking, property and assets in favour of AP Diamond, which includes the Wuhan Land; and (ii) China View (a company wholly-owned by Mr. SC Wong) entered into the Guarantee in favour of AP Diamond.

#### **CONDITIONAL ADDITIONAL SECURITIES FOR THE AP DIAMOND LOAN**

On 23rd June, 2023, the Undertaking Parties, namely, Hillwealth, Mr. SC Wong (the guarantor of the AP Diamond Loan), China View and Ms. Yu (a director of Concord HK) entered into the Letter of Agreements under which each of them, among other things, undertake to procure the relevant security providers to provide additional securities for the AP Diamond Loan.

#### **LISTING RULES IMPLICATIONS**

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the entering into of the Debenture and the Guarantee constitutes a variation to the terms of the transaction previously announced under the Announcements.

## NEW SECURITIES FOR THE AP DIAMOND LOAN

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The Debenture and the Guarantee are additional to the existing securities of the AP Diamond Loan comprising (i) a personal guarantee by Mr. SC Wong; (ii) the First Share Mortgage (Claude); (iii) the Second Mortgage (Boost); (iv) the Second Debenture (Boost); and (v) the Second Share Mortgage (Boost).

## CONDITIONAL ADDITIONAL SECURITIES FOR THE AP DIAMOND LOAN

On 23rd June, 2023, the Undertaking Parties entered into the Letter of Agreements, pursuant to which, among other things, each Undertaking Party jointly and severally undertakes that upon the completion of the Restoration, he/she/it shall procure the relevant security providers to provide additional securities in favour of AP Diamond as follows:

<b>Security provider</b>	<b>Securities</b>
China View (a company wholly-owned by Mr. SC Wong)	(i) a second priority share mortgage in respect of all issued shares of Careful Concern (ii) a second priority deed of assignment in respect of any amount owed by Careful Concern to China View (iii) a second priority share mortgage in respect of all issued shares of Accurate Level (iv) a second priority deed of assignment in respect of any amount owed by Accurate Level to China View (v) a third priority share mortgage in respect of all issued shares of Virlicen (vi) a third priority deed of assignment in respect of the loan owed by Virlicen to China View
Careful Concern (a wholly-owned subsidiary of China View, and owns 50% of the issued shares of Concord HK)	(i) a second priority share mortgage in respect of 50% of the issued shares of Concord HK which is held by Careful Concern (ii) a second priority deed of assignment in respect of any amount owed by Concord HK to Careful Concern
Accurate Level (a wholly-owned subsidiary of China View, and owns 50% of the issued shares of Concord HK)	(i) a second priority share mortgage in respect of 50% of the issued shares of Concord HK which is held by Accurate Level (ii) a second priority deed of assignment in respect of any amount owed by Concord HK to Accurate Level

As at the date of this announcement, (i) certain companies incorporated in the British Virgin Islands (i.e. the Struck-off Companies) involved under the additional securities to be provided as abovementioned have been struck off the BVI Register; and (ii) as informed by the Undertaking Parties, British Virgin Islands legal advisers have already been engaged to assist in the Restoration, which is currently in progress. Accordingly, pursuant to the Letter of Agreements, the Undertaking Parties undertake that they shall ensure the Struck-off Companies be restored to the BVI Register as soon as practicable.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Concord HK, the Undertaking Parties, and their respective ultimate beneficial owner(s), are all third parties independent of the Company and its connected persons.

### **REASONS FOR AND BENEFITS OF THE DEBENTURE, THE GUARANTEE AND THE LETTER OF AGREEMENTS**

Subsequent to the default of the AP Diamond Loan by Hillwealth, AP Diamond has been in negotiation with Hillwealth for additional securities. The Directors have considered the value of the property indirectly held under Concord HK, namely, the Wuhan Land, and are of the view that the Debenture provided by Concord HK in favour of AP Diamond, as well as the Guarantee, offer extra safeguards to the Group.

To offer additional protection to the Group and having considered, among other things, the value of the Land (indirectly owned as to 38.5% by Virlicen), it is intended that further securities are to be entered into by the relevant security providers as detailed in the paragraph headed “Conditional Additional Securities for the AP Diamond Loan” above. Taking into account the Struck-off Companies are currently struck off the BVI Register, the Letter of Agreements are executed by the Undertaking Parties as further assurance to the Group.

Based on the above, the Directors consider the Debenture, the Guarantee and the Letter of Agreements are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the entering into of the Debenture and the Guarantee constitutes a variation to the terms of the transaction previously announced under the Announcements.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Accurate Level”	Accurate Level Limited, a company incorporated in the British Virgin Islands with limited liability which has been struck off the BVI Register, and a direct wholly-owned subsidiary of China View
“Announcements”	the announcements dated 24th September, 2018 and 9th November, 2018 respectively made by the Company, and the joint announcements dated 23rd January, 2019, 10th April, 2019 and 26th July, 2019 respectively made by the Company and Allied Properties (H.K.) Limited
“AP Diamond”	AP Diamond Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of the Company
“AP Diamond Loan”	a loan facility of an aggregate principal amount of up to HK\$635,000,000 made available by AP Diamond to Hillwealth pursuant to the AP Loan Agreement
“AP Loan Agreement”	a loan agreement dated 24th September, 2018 and supplemented by the supplemental loan agreements dated 9th November, 2018, 23rd January, 2019, 10th April, 2019 and 26th July, 2019 entered into among Hillwealth as borrower, AP Diamond as lender and Mr. SC Wong as guarantor
“Board”	the board of Directors
“Boost”	Boost Investments Limited, a company incorporated in Hong Kong with limited liability, and wholly-owned by Claude Associates as at the date of this announcement
“BVI Register”	the British Virgin Islands Register of Companies

“Careful Concern”	Careful Concern Limited, a company incorporated in the British Virgin Islands with limited liability which has been struck off the BVI Register, and a direct wholly-owned subsidiary of China View
“China View”	China View Group Limited, an investment holding company incorporated in the British Virgin Islands with limited liability, and wholly-owned by Mr. SC Wong
“Claude Associates”	Claude Associates Limited, a company incorporated in the British Virgin Islands with limited liability, and wholly-owned by Mr. SC Wong
“Company”	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)
“Concord HK”	Concord Properties Holding (Wuhan) Limited, an investment holding company incorporated in Hong Kong with limited liability and owned as to 50% by Careful Concern and 50% by Accurate Level, and through its wholly-owned subsidiary, owns the Wuhan Land
“Debenture”	the debenture dated 23rd June, 2023 executed by Concord HK in favour of AP Diamond, creating a second fixed and floating charge over its undertaking, property and assets, including the Wuhan Land
“Directors”	the director(s) of the Company
“First Share Mortgage (Claude)”	the first priority share mortgage dated 23rd January, 2019 entered into between Mr. SC Wong as the mortgagor and AP Diamond as the lender in respect of the entire issued shares in Claude Associates
“Group”	the Company and its subsidiaries
“Guarantee”	the deed of guarantee dated 23rd June, 2023 executed by China View in favour of AP Diamond

“Hillwealth”	Hillwealth Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and wholly-owned by Mr. SC Wong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	a piece of land registered in the Hong Kong Land Registry as Lot Nos. 375RP, 377, 378A and 378RP in Demarcation District No. 186, and held indirectly as to 38.5% by Virlicen
“Letter of Agreements”	two letter of agreements, both dated 23rd June, 2023, entered into by Hillwealth, Mr. SC Wong, China View and Ms. Yu
“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. SC Wong”	Mr. Wong Sai Chung, the guarantor of the AP Diamond Loan
“Ms. Yu”	Ms. Yu Ling Ling, a director of Concord HK
“Property”	certain commercial units on Basement 1, Ground Floor to Fourth Floor of Concord Square at the Blue Yard, 1 Tai Uk Street and 88 Chuen Lung Street, Tsuen Wan, New Territories and 91 car-parking spaces on Basement 2 of Concord Square
“Restoration”	the restoration of the Struck-off Companies to the BVI Register

“Second Debenture (Boost)”	the debenture dated 19th January, 2022 created by Boost in favour of AP Diamond by way of a second fixed and floating charge over the undertaking, property and assets of Boost
“Second Mortgage (Boost)”	the second mortgage dated 19th January, 2022 executed by Boost as mortgagor charging the Property to AP Diamond
“Second Share Mortgage (Boost)”	the second priority share mortgage dated 19th January, 2022 entered into between Mr. SC Wong and Claude Associates as the mortgagors, and AP Diamond as lender, in respect of the entire issued shares in Boost
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Struck-off Companies”	Careful Concern, Accurate Level and Virlicen
“Undertaking Party(ies)”	Hillwealth, Mr. SC Wong, China View and Ms. Yu
“Virlicen”	Virlicen Investments Limited, a company incorporated in the British Virgin Islands with limited liability which has been struck off the BVI Register, a direct wholly-owned subsidiary of China View, and through a 38.5% owned company, owns the Land
“Wuhan Land”	a plot of land in Wuhan, the People’s Republic of China identified as 武漢市江漢區解放大道372號 (No. 372 Jiefang Avenue, Jiangnan District, Wuhan*) indirectly owned by Concord HK
“%”	per cent

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

Hong Kong, 23rd June, 2023

*As at the date of this announcement, the 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.*

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