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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

Reference is made to the Previous Announcement in relation to a loan transaction among Lender A (an indirect wholly-owned subsidiary of AGL), Lender B (an indirect wholly-owned subsidiary of APL), Lender C, Lender D (an indirect non wholly-owned subsidiary of SHK), Lender E (an indirect wholly-owned subsidiary of SHK) and Lender F as the lenders, the Borrower as the borrower, the Agent as the agent and the Security Agent as the security agent. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcement.

THE TRANSACTION

On 19 July 2019, Lender A (an indirect wholly-owned subsidiary of AGL), Lender B (an indirect wholly-owned subsidiary of APL), Lender C, Lender D (an indirect non wholly-owned subsidiary of SHK), Lender E (an indirect wholly-owned subsidiary of SHK) and Lender F as the lenders, the Borrower as the borrower, the Agent as the agent and the Security Agent as the security agent entered into the Supplemental Facility Agreement, pursuant to which, the Lenders agreed to, among other things, extend the repayment date of the Loan from 3 October 2019 to 12 months after the second utilisation date of the Loan. As at the date of the Supplemental Facility Agreement, the loan under the Facility Agreement has been fully drawn by way of the first utilisation and remained outstanding and due to be repaid by the Borrower to the Lenders.

LISTING RULES IMPLICATIONS

As Lender A is an indirect wholly-owned subsidiary of AGL, the Transaction entered into by Lender A shall be a transaction of AGL under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules includes the listed issuer’s subsidiaries.

As Lender B is an indirect wholly-owned subsidiary of APL, which is a non wholly-owned subsidiary of AGL, the Transaction entered into by Lender B shall be a transaction of each of APL and AGL under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules includes the listed issuer’s subsidiaries.

As Lender D is an indirect non wholly-owned subsidiary of SHK, which 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 Lender D shall be a transaction of each of SHK, APL and AGL under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules includes the listed issuer’s subsidiaries.

As Lender E is an indirect wholly-owned subsidiary of SHK, which 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 Lender E shall be a transaction of each of SHK, APL and AGL under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules includes the listed issuer’s subsidiaries.

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

Reference is made to the Previous Announcement in relation to a loan transaction among Lender A (an indirect wholly-owned subsidiary of AGL), Lender B (an indirect wholly-owned subsidiary of APL), Lender C, Lender D (an indirect non wholly-owned subsidiary of SHK), Lender E (an indirect wholly-owned subsidiary of SHK) and Lender F as the lenders, the Borrower as the borrower, the Agent as the agent and the Security Agent as the security agent. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcement.

By the Amendment Agreement to the Facility Agreement entered into between the Borrower and the Agent, certain typographical amendments have been made to the Facility Agreement.

THE TRANSACTION

On 19 July 2019, Lender A (an indirect wholly-owned subsidiary of AGL), Lender B (an indirect wholly-owned subsidiary of APL), Lender C, Lender D (an indirect non wholly-owned subsidiary of SHK), Lender E (an indirect wholly-owned subsidiary of SHK) and Lender F as the lenders, the Borrower as the borrower, the Agent as the agent and the Security Agent as the security agent entered into the Supplemental Facility Agreement, pursuant to which, the Lenders agreed to, among other things, extend the repayment date of the Loan from 3 October 2019 to 12 months after the second utilisation date of the Loan. As at the date of the Supplemental Facility Agreement, the loan under the Facility Agreement has been fully drawn by way of the first utilisation and remained outstanding and due to be repaid by the Borrower to the Lenders.

The Supplemental Facility Agreement

Date: 19 July 2019

Parties:

- (1) the Lenders as the lenders under the Supplemental Facility Agreement;
- (2) the Borrower as the borrower under the Supplemental Facility Agreement;
- (3) the Agent as the agent under the Supplemental Facility Agreement; and
- (4) the Security Agent as the security agent under the Supplemental Facility Agreement.

Based on the confirmations of the Borrower, the Guarantor, the Assignor, BVI Company A, BVI Company C, BVI Company E, HK Company A, HK Company B, HK Company C and SG Company A and to the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, the Borrower, the Guarantor, the Assignor, BVI Company A, BVI Company C, BVI Company E, HK Company A, HK Company B, HK Company C and SG Company A and their respective ultimate beneficial owner(s) (where applicable) are all third parties independent of SHK, APL, AGL and their respective connected persons.

Principal terms of the Supplemental Facility Agreement

Pursuant to the Supplemental Facility Agreement, upon satisfaction of the conditions precedent under the Supplemental Facility Agreement, the Facility Agreement will be amended and supplemented, inter alia, as follows:

Loan limit committed by Lender A, Lender B, Lender D and Lender E: from HK\$1,176,000,000 to HK\$1,377,600,000, as severally committed by Lender A, Lender B, Lender D and Lender E as follows:

(i) Lender A: HK\$234,285,714

(ii) Lender B: HK\$557,600,000

(iii) Lender D: HK\$351,428,572

(iv) Lender E: HK\$234,285,714

Term: 12 months after the second utilisation date of the Loan

Number of utilisations: The Borrower may deliver two utilisation requests (instead of one utilisation request) requesting utilisations in an aggregate amount which must not exceed the total loan limit during the period from and including the date of the Facility Agreement to and including 14 days after the date of the Supplemental Facility Agreement (or such other date as may be agreed between the Borrower and the Agent).

Interest: 17.5% per annum on the Loan

Securities for the Loan: As one of the conditions precedent to the Supplemental Facility Agreement, the supplemental agreements to the Existing Securities are to be entered into to confirm, inter alia, that the Existing Securities are in full force and effect.

- Additional securities for the Loan:
- (1) As one of the conditions precedent to the Supplemental Facility Agreement, the Guarantees will be provided by the Guarantors in favour of the Lenders, pursuant to which the Guarantors agree to guarantee the due and punctual performance of the obligations of the Borrower under the Facility Agreement as amended and/or supplemented by the Amendment Agreement and the Supplemental Facility Agreement.
 - (2) As one of the conditions precedent to the Supplemental Facility Agreement, the Assignment will be created by the Assignor in favour of the Security Agent, pursuant to which the Assignor's partial interests in a Cayman Islands fund will be assigned in favour of the Security Agent.

Under the Supplemental Facility Agreement, the Non-refundable Arrangement Fee at the rate of 1.5% on the loan limit committed by the Lenders in the amount of HK\$1,640,000,000 shall be payable by the Borrower to the Lenders and to be shared between the Lenders according to their respective loan commitments.

Save for the amendments in the Supplemental Facility Agreement, the provisions of the Facility Agreement as amended and/or supplemented by the Amendment Agreement and the rights and obligations thereunder shall remain in full force and effect.

REASONS FOR AND BENEFITS OF THE TRANSACTION

SHK

As advised and confirmed by SHK, the terms of the Supplemental Facility Agreement, including the interest rate applicable and the Non-refundable Arrangement Fee, were arrived at after arm's length negotiations between each of Lender D and Lender E (acting through the Agent) and the Borrower having taken into account the prevailing market interest rates and practices. Based on the confirmation of SHK, the Supplemental Facility Agreement was entered into by Lender D and Lender E having regard to (i) the costs of borrowing in providing its commitment under the Loan to the Borrower; (ii) the income of Lender D and Lender E to be generated by the Transaction; and (iii) the underlying existing and additional securities. In view of the above, the SHK Directors are of the view that the terms of the Supplemental Facility Agreement are on normal commercial terms and the Transaction entered into by each of Lender D and Lender E is fair and reasonable, and in the interests of SHK and its shareholders taken as a whole.

APL

As advised and confirmed by APL, the terms of the Supplemental Facility Agreement, including the interest rate applicable and the Non-refundable Arrangement Fee, were arrived at after arm's length negotiations between Lender B (acting through the Agent) and the Borrower having taken into account the prevailing market interest rates and practices. Based on the confirmation of APL, the Supplemental Facility Agreement was entered into by Lender B having regard to (i) the costs of borrowing in providing its commitment under the Loan to the Borrower; (ii) the income of Lender B to be generated by the Transaction; and (iii) the underlying existing and additional securities. In view of the above, the APL Directors are of the view that the terms of the Supplemental Facility Agreement are on normal commercial terms and the Transaction entered into by Lender B is fair and reasonable, and in the interests of APL and its shareholders taken as a whole.

In light of the above, 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 entered into by each of Lender B, Lender D and Lender E is fair and reasonable and in the interests of the APL and its shareholders taken as a whole.

AGL

As advised and confirmed by AGL, the terms of the Supplemental Facility Agreement, including the interest rate applicable and the Non-refundable Arrangement Fee, were arrived at after arm's length negotiations between Lender A (acting through the Agent) and the Borrower having taken into account the prevailing market interest rates and practices. Based on the confirmation of AGL, the Supplemental Facility Agreement was entered into by Lender A having regard to (i) the costs of providing its commitment under the Loan to the Borrower; (ii) the income of Lender A to be generated by the Transaction; and (iii) the underlying existing and additional securities. In view of the above, the AGL Directors are of the view that the terms of the Supplemental Facility Agreement are on normal commercial terms and the Transaction entered into by Lender A is fair and reasonable, and in the interests of AGL and its shareholders taken as a whole.

In light of the above, based on the information and the confirmations provided by each of APL and SHK and to the best knowledge, information and belief of the AGL Directors, the AGL Directors consider that the Transaction entered into by each of Lender A, Lender B, Lender D and Lender E is fair and reasonable and in the interests of the AGL and its shareholders taken as a whole.

INFORMATION ABOUT AGL, APL, SHK, LENDER A, LENDER B, LENDER D, LENDER E, THE BORROWER, THE GUARANTOR, THE ASSIGNOR, BVI COMPANY A, BVI COMPANY B, BVI COMPANY C, BVI COMPANY D, BVI COMPANY E, BVI COMPANY F, HK COMPANY A, HK COMPANY B, HK COMPANY C, SG COMPANY A AND SG 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 investment and development, hospitality related activities, elderly care services, 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, elderly care services, 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 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 consumer finance, principal investments, mortgage loans and financial services.

As at the date of this joint announcement, SHK is beneficially owned as to approximately 61.90% by APL.

Lender A

As advised and confirmed by AGL, Lender A is a company incorporated in the BVI with limited liability and is an indirect wholly-owned subsidiary of AGL. The principal business activity of Lender A is investment holding.

Lender B

As advised and confirmed by APL, Lender B is a company incorporated in the Cayman Islands with limited liability and is an indirect wholly-owned subsidiary of APL. The principal business activity of Lender B is investment holding.

Lender D

As advised and confirmed by SHK, Lender D is a company incorporated in the BVI with limited liability and is an indirect non wholly-owned subsidiary of SHK. The principal business activity of Lender D is investment holding.

Lender E

As advised and confirmed by SHK, Lender E is a company incorporated in the BVI with limited liability and is an indirect wholly-owned subsidiary of SHK. The principal business activity of Lender E is investment holding.

The Borrower

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, the Borrower 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 activities of the Borrower are logistics and related services. The principal business activities of its major subsidiaries are logistics and services.

The Guarantor

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, the Guarantor is a company incorporated in Hong Kong with limited liability and one of the immediate shareholders of the Borrower. The principal business activity of the Guarantor is investment holding.

The Assignor

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, the Assignor is a company incorporated in Hong Kong with limited liability. The principal business activity of the Assignor is investment holding.

BVI Company A

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, BVI Company A is a company incorporated in the BVI with limited liability and is a direct wholly-owned subsidiary of HK Company A and an indirect wholly-owned subsidiary of the Borrower. The principal business activity of BVI Company A is investment holding.

BVI Company B

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, BVI Company B is a company incorporated in the BVI with limited liability and is a direct wholly-owned subsidiary of HK Company B and an indirect wholly-owned subsidiary of the Borrower.

BVI Company C

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, BVI Company C is a company incorporated in the BVI with limited liability and is an indirect wholly-owned subsidiary of the Borrower. The principal business activity of BVI Company C is investment holding.

BVI Company D

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, BVI Company D is a company incorporated in the BVI with limited liability and is a direct wholly-owned subsidiary of BVI Company C and an indirect wholly-owned subsidiary of the Borrower.

BVI Company E

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, BVI Company E is a company incorporated in the BVI with limited liability and is an indirect wholly-owned subsidiary of the Borrower. The principal business activity of BVI Company E is investment holding.

BVI Company F

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, BVI Company F is a company incorporated in the BVI with limited liability and is a direct wholly-owned subsidiary of BVI Company E and an indirect wholly-owned subsidiary of the Borrower.

HK Company A

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, HK Company A is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Borrower. The principal business activity of HK Company A is investment holding.

HK Company B

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, HK Company B is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Borrower. The principal business activity of HK Company B is investment holding.

HK Company C

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, HK Company C is a company incorporated in Hong Kong with limited liability and one of the immediate shareholders of the Borrower. The principal business activity of HK Company C is investment holding.

SG Company A

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, SG Company A is a company incorporated in Singapore with limited liability and is a direct wholly-owned subsidiary of BVI Company A and an indirect wholly-owned subsidiary of the Borrower. The principal business activity of SG Company A is investment holding.

SG Company B

To the best knowledge, information and belief of the SHK Directors, APL Directors and AGL Directors, having made all reasonable enquiries, SG Company B is a company incorporated in Singapore with limited liability and is a direct wholly-owned subsidiary of SG Company A and an indirect wholly-owned subsidiary of the Borrower.

LISTING RULES IMPLICATIONS

As Lender A is an indirect wholly-owned subsidiary of AGL, the Transaction entered into by Lender A shall be a transaction of AGL under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules includes the listed issuer’s subsidiaries.

As Lender B is an indirect wholly-owned subsidiary of APL, which is a non wholly-owned subsidiary of AGL, the Transaction entered into by Lender B shall be a transaction of each of APL and AGL under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules includes the listed issuer’s subsidiaries.

As Lender D is an indirect non wholly-owned subsidiary of SHK, which 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 Lender D shall be a transaction of each of SHK, APL and AGL under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules includes the listed issuer’s subsidiaries.

As Lender E is an indirect wholly-owned subsidiary of SHK, which 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 Lender E shall be a transaction of each of SHK, APL and AGL under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules includes the listed issuer’s subsidiaries.

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

“Amendment Agreement”	the amendment agreement to the Facility Agreement entered into between the Borrower as the borrower and the Agent as the agent on 24 October 2018;
“Assignment”	the assignment to be created by the Assignor in favour of the Security Agent of the Assignor’s partial interests in a Cayman Islands fund;
“Assignor”	the assignor under the Assignment;
“Existing Securities”	Debenture (BVI Company A), Debenture (HK Company A), Debenture (SG Company A), Deed of Assignment (BVI Company F), Deed of Assignment (Borrower), Deed of Assignment (BVI Company B), Deed of Assignment (HK Company A and BVI Company A), Share Mortgage (BVI Company A), Share Mortgage (BVI Company B), Share Mortgage (BVI Company D), Share Mortgage (BVI Company F), Share Mortgage (HK Company A), Share Mortgage (SG Company A) and Share Mortgage (SG Company B);
“Guarantees”	two irrevocable and unconditional guarantees to be executed by the Guarantors respectively in favour of the Lenders;
“Guarantor”	the corporate guarantor (excluding HK Company C) under one of the Guarantees;
“Guarantors”	HK Company C and the Guarantor;
“Loan”	the loan made or to be made available by the Lenders to the Borrower on the terms and subject to the conditions set out in the Facility Agreement as amended and/or supplemented by the Amendment Agreement and the Supplemental Facility Agreement;
“Non-refundable Arrangement Fee”	the non-refundable arrangement fee payable by the Borrower on the terms and subject to the conditions set out in the Supplemental Facility Agreement and as set out in the section headed “Principal terms of the Supplemental Facility Agreement” of this joint announcement;

“Previous Announcement”	the joint announcement dated 29 September 2018 of AGL, APL and SHK;
“Supplemental Facility Agreement”	the Supplemental Facility Agreement to the Facility Agreement as amended and/or supplemented by the Amendment Agreement entered into among the Lenders as the lenders, the Borrower as the borrower, the Agent as the agent and the Security Agent as the security agent on 19 July 2019; and
“Transaction”	the transaction contemplated under the Supplemental Facility 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
Mark Wong Tai Chun
Executive Director

On behalf of the SHK Board
Sun Hung Kai & Co. Limited
Simon Chow Wing Charn
Executive Director

Hong Kong, 19 July 2019

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) and Mark Wong Tai Chun being the Executive Directors; Messrs. Arthur George Dew (Chairman) and Li Chi Kong being the Non-Executive Directors; 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) and Simon Chow Wing Charn being the Executive Directors; Messrs. Peter Anthony Curry and Jonathan Andrew Cimino being the Non-Executive Directors; and Mr. Evan Au Yang Chi Chun, Mr. David Craig Bartlett, Mr. Alan Stephen Jones and Ms. Jacqueline Alee Leung being the Independent Non-Executive Directors.