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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)

SHK 新工投資有限公司
Hong Kong Industries Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 666)

The Offeror

BRIGHT CLEAR LIMITED

(晴輝有限公司)

(Incorporated in the British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

**(1) PROPOSED PRIVATISATION OF SHK IND
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 673 OF THE COMPANIES ORDINANCE)
IN THE FORM OF A TAKEOVER OFFER
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF SHK IND SHARES
DESPATCH OF THE SCHEME DOCUMENT**

Financial Adviser to the Offeror



YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

Independent Financial Adviser to SHK IND



PELICAN FINANCIAL
百利勤金融

INTRODUCTION

References are made to (i) the joint announcements dated 18th December, 2020, 8th January, 2021 and 9th February, 2021 jointly issued by SHK Hong Kong Industries Limited (“**SHK IND**”), Allied Group Limited (“**AGL**”) and Bright Clear Limited (the “**Offeror**”) in relation to, among other things, the proposed privatisation of SHK IND by way of a scheme of arrangement under section 673 of the Companies Ordinance in the form of a takeover offer (the “**Privatisation**”), the extension of time for despatch of the scheme document and the monthly update on the status and progress in connection with the Proposal and the Scheme; and (ii) the scheme document dated 11th February, 2021 jointly issued by SHK IND, AGL and the Offeror in relation to, among other things, the Privatisation (the “**Scheme Document**”). Capitalised terms used herein shall have the same meaning as they were defined in the Scheme Document unless the context otherwise specified.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document, together with the notices of the Court Meeting and the General Meeting and proxy forms for use at the Court Meeting and the General Meeting will be despatched to the SHK IND Shareholders on Thursday, 11th February, 2021.

The Scheme Document contains, among other things, further details of the Proposal (including the Scheme), an explanatory statement, the expected timetable relating to the Proposal (including the Scheme), the letters from the SHK IND Board, the Independent Board Committee and the Independent SHK IND Financial Adviser, financial information of SHK IND Group and notices of the Court Meeting and the General Meeting.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT SHK IND FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Peter Lee Yip Wah, Mr. Albert Ho and Mr. Louie Chun Kit has been formed to advise the Disinterested Scheme Shareholders on the Proposal (including the Scheme) and as to voting. Pelican Financial Limited has been appointed as the Independent SHK IND Financial Adviser to advise the Independent Board Committee and the Disinterested Scheme Shareholders on the Proposal (including the Scheme) and as to voting, and such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

The Independent SHK IND Financial Adviser has advised the Independent Board Committee that it considers the terms of the Proposal (including the Scheme) are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned, and accordingly, advises the Independent Board Committee to recommend the Disinterested Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal (including the Scheme).

The Independent Board Committee, having considered the terms of the Proposal (including the Scheme), and having taken into account the advice of the Independent SHK IND Financial Adviser, considers that the terms of the Proposal (including the Scheme) are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned and recommends the Disinterested Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Proposal (including the Scheme).

SHK IND Shareholders are urged to read and consider carefully the recommendation of the Independent Board Committee and the advice of the Independent SHK IND Financial Adviser set out in the letter from the Independent Board Committee and the letter from the Independent SHK IND Financial Adviser contained in the Scheme Document.

COURT MEETING AND GENERAL MEETING

The Court Meeting and the General Meeting are scheduled to be held at 10:00 a.m. and 10:30 a.m. (or immediately after the conclusion or adjournment of the Court Meeting if the Court Meeting concluded after 10:30 a.m.) respectively, on Friday, 12th March, 2021 at Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong.

The High Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

Following the conclusion of the Court Meeting, the General Meeting will be held for the purpose of considering and, if thought fit, passing the special resolution to approve and give effect to the Scheme.

Notices of the Court Meeting and the General Meeting are contained in the Scheme Document.

An announcement will be made by SHK IND, AGL and the Offeror in relation to the results of the Court Meeting and the General Meeting on Friday, 12th March, 2021.

CLOSURE OF REGISTER OF MEMBERS FOR DETERMINATION OF ENTITLEMENTS TO VOTE

For the purpose of determining the entitlements of the holders of Scheme Shares to attend and vote at the Court Meeting and the entitlements of the SHK IND Shareholders to attend and vote at the General Meeting, the register of members of SHK IND will be closed from Tuesday, 9th March, 2021 to Friday, 12th March, 2021 (both days inclusive) and during such period, no transfer of SHK IND Shares will be effected. In order to qualify to attend and vote at the Court Meeting and/or the General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Monday, 8th March, 2021.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

SHK IND Shareholders and potential investors of SHK IND should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, as described in the section headed “Conditions of the Proposal” in the Explanatory Statement of the Scheme Document, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. All Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse.

Assuming that the Conditions are satisfied or validly waived (as applicable) on or before the Long Stop Date, it is currently expected that the Scheme will become binding and effective on the Effective Date, which is expected to be Thursday, 22nd April, 2021, and the listing of SHK IND Shares on the Stock Exchange is expected to be withdrawn at 9:00 a.m. on Friday, 23rd April, 2021, being one business day following the Effective Date, pursuant to Rule 6.15(2) of the Listing Rules.

If all the resolutions are passed at the Court Meeting and the General Meeting, further announcements will be made in relation to, among other things, the results of the hearing of the petition for the sanction of the Scheme by the High Court, the Effective Date and the date of withdrawal of listing of SHK IND Shares from the Stock Exchange in accordance with the requirements of the Listing Rules and the Takeovers Code.

EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror, AGL and SHK IND. Unless otherwise specified, all times and dates refer to Hong Kong local time and dates.

Latest time for lodging transfers of SHK IND Shares
in order to qualify for entitlement to attend and
vote at the Court Meeting and/or the General Meeting 4:30 p.m. on
Monday, 8th March, 2021

Register of members of SHK IND closed
for determining entitlement to attend
and vote at the Court Meeting
and the General Meeting (*Note 1*) Tuesday, 9th March, 2021
to Friday, 12th March, 2021
(both days inclusive)

Latest time for lodging proxy forms in respect of:

- the Court Meeting (*Note 2*) 10:00 a.m. on
Wednesday, 10th March, 2021
- the General Meeting (*Note 2*) 10:30 a.m. on
Wednesday, 10th March, 2021

Meeting Record Date Friday, 12th March, 2021

Court Meeting (*Notes 2 and 3*) 10:00 a.m. on
Friday, 12th March, 2021

General Meeting (*Notes 2 and 3*) 10:30 a.m. on
Friday, 12th March, 2021
(or immediately after the conclusion or
adjournment of the Court Meeting if
the Court Meeting concluded after 10:30 a.m.)

Announcement of the results of the Court Meeting and
the General Meeting posted on the website of
the Stock Exchange no later than 7:00 p.m. on
Friday, 12th March, 2021

Expected latest time for trading of
SHK IND Shares on the Stock Exchange 4:10 p.m. on
Monday, 15th March, 2021

Latest time for lodging transfers of
SHK IND Shares in order to qualify
for entitlements under the Scheme 4:30 p.m. on
Monday, 22nd March, 2021

Register of members of SHK IND closed
for determining entitlement
to qualify under the Scheme (*Note 4*) from Tuesday, 23rd March, 2021
onwards

High Court hearing of the petition
for the sanction of the Scheme (*Note 5*) 10:00 a.m. on
Tuesday, 20th April, 2021

Scheme Record Date Tuesday, 20th April, 2021

Announcement of

- (1) the results of the High Court hearing for the petition
for the sanction of the Scheme;
- (2) the expected Effective Date; and
- (3) the expected date of withdrawal of listing of the
SHK IND Shares on the Stock Exchange

posted on the website of the Stock Exchange no later than 7:00 p.m. on
Tuesday, 20th April, 2021

Announcement of

- (1) the Effective Date;
- (2) the withdrawal of listing of the SHK IND Shares on the Stock Exchange; and
- (3) date of despatch of cheques to Scheme Shareholders

posted on the website of the Stock Exchange Thursday, 22nd April, 2021

Effective Date (*Note 5*) Thursday, 22nd April, 2021

Withdrawal of listing of the SHK IND Shares
on the Stock Exchange becomes effective 9:00 a.m. on
Friday, 23rd April, 2021

Cheques for the cash payment under
the Proposal to be despatched (*Note 6*) on or before
Monday, 3rd May, 2021

Notes:

1. *The register of members of SHK IND will be closed during such period for the purpose of determining entitlements of the holders of Scheme Shares to attend and vote at the Court Meeting and of the SHK IND Shareholders to attend and vote at the General Meeting. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.*
2. *The **pink** proxy form in respect of the Court Meeting and the **white** proxy form in respect of the General Meeting should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong by the times and dates stated above. The **pink** proxy form for use at the Court Meeting and the **white** proxy form for use at the General Meeting must be lodged no later than the time and date stated above in order for them to be valid. The completion and return of the proxy form(s) for the Court Meeting and/or the General Meeting will not preclude a member from attending and voting in person at the relevant meeting or any adjournment thereof if he so wishes. In the event that the member attends and votes at the relevant meeting or any adjournment thereof after having lodged his/her/its proxy form(s), the returned proxy form(s) shall be deemed to have been revoked by operation of law.*

SHK IND Shareholders are further reminded that the deadline to submit completed proxy forms is Wednesday, 10th March, 2021 at 10:00 a.m. (Hong Kong time) (for Court Meeting) or Wednesday, 10th March, 2021 at 10:30 a.m. (Hong Kong time) (for General Meeting), which shall be lodged with the Share Registrar at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
3. *If a tropical cyclone warning signal No.8 or above is or is expected to be hoisted or “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a black rainstorm warning signal is or is expected to be in force at any time after 8:00 a.m. on the date of the Court Meeting and the General Meeting, the Court Meeting and the General Meeting will be postponed. SHK IND will post an announcement on the respective websites of the Stock Exchange and SHK IND to notify the members of the date, time and venue of the rescheduled meetings.*
4. *The register of members of SHK IND will be closed during such period for the purpose of determining the Scheme Shareholders, who are qualified for entitlements under the Scheme.*

5. *The High Court hearing will be held at the High Court at the High Court Building, 38 Queensway, Hong Kong. The Scheme shall become effective when an office copy of the order of the High Court sanctioning the Scheme (with or without modification) and confirming the reduction of the issued share capital of SHK IND involved in the Scheme is registered by the Registrar of Companies under Part 2 of the Companies Ordinance.*
6. *Cheques for entitlements of Scheme Shareholders will be despatched by ordinary post addressed to Scheme Shareholders at their respective addresses as appearing in the register of members of SHK IND as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the register of members of SHK IND as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of SHK IND in respect of the relevant joint holding as soon as possible but in any event within 7 business days (as required by the Takeovers Code) following the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Offeror, AGL, SHK IND, Yu Ming, the Independent SHK IND Financial Adviser and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.*

AGL Shareholders and potential investors of AGL should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. AGL Shareholders and potential investors of AGL should therefore exercise caution when dealing in securities of AGL. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

SHK IND Shareholders and potential investors of SHK IND should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. SHK IND Shareholders and potential investors of SHK IND should therefore exercise caution when dealing in securities of SHK IND. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

On behalf of the board
Bright Clear Limited
Edwin Lo King Yau
Director

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

On behalf of the SHK IND Board
SHK Hong Kong
Industries Limited
Warren Lee Wa Lun
Chairman

Hong Kong, 11th February, 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.

The AGL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the SHK IND Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the directors of SHK IND in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Messrs. Edwin Lo King Yau and Kelvin Lam Kam Wing.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the SHK IND Group and AGL) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the respective directors of SHK IND and AGL in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the composition of the SHK IND Board is as follows: Mr. Warren Lee Wa Lun (Chairman) and Mr. Mark Wong Tai Chun are Executive Directors; Mr. Arthur George Dew is Non-Executive Director; and Mr. Albert Ho, Mr. Peter Lee Yip Wah and Mr. Louie Chun Kit are Independent Non-Executive Directors.

The SHK IND Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to AGL and the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the respective directors of AGL and the Offeror in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.