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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)



天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 28)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION PROVISION OF SHAREHOLDER'S LOANS

PROVISION OF SHAREHOLDER'S LOANS

As advised and confirmed by TACI, on 11th October, 2022, TACI (an indirect non wholly-owned subsidiary of AGL) and TA Cyberpark (a direct 50%-owned joint venture of TACI) entered into the Supplemental Framework Memorandum, pursuant to which (i) the principal amount of the Shareholder's Loans granted to TA Cyberpark will be increased from the Existing Shareholder's Loan in an amount up to RMB200,000,000 (equivalent to approximately HK\$222,222,000) to an aggregate amount up to RMB380,000,000 (equivalent to approximately HK\$422,222,000); and (ii) the repayment date of the Shareholder's Loans shall be 31st December, 2023.

Prior to the entering into of the Supplemental Framework Memorandum, as advised and confirmed by TACI, TACI and TA Cyberpark entered into the Framework Memorandum on 29th March, 2022, pursuant to which TACI agreed to make available (by itself and/or its subsidiaries) to TA Cyberpark the Existing Shareholder's Loan in the amount up to RMB200,000,000 (equivalent to approximately HK\$222,222,000).

LISTING RULES IMPLICATIONS

TACI

As none of the relevant Percentage Ratios in respect of the provision of the Existing Shareholder's Loan on a standalone basis exceeds 5%, the provision of the Existing Shareholder's Loan on a standalone basis does not constitute a notifiable transaction for TACI under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of the provision of the Shareholder's Loans exceeds 5% but is less than 25%, the provision of the Shareholder's Loans constitutes a discloseable transaction for TACI and is subject to announcement requirement but exempt from TACI Shareholders' approval requirement under Chapter 14 of the Listing Rules.

AGL

As TACI is an indirect non wholly-owned subsidiary of AGL, the entering into of the Framework Memorandum and Supplemental Framework Memorandum by TACI shall be a transaction for AGL under the Listing Rules as the definition of "listed issuer" under Chapter 14 of the Listing Rules shall include the listed issuer's subsidiaries.

As none of the relevant Percentage Ratios in respect of the provision of the Existing Shareholder's Loan on a standalone basis exceeds 5%, the provision of the Existing Shareholder's Loan on a standalone basis does not constitute a notifiable transaction for AGL under Chapter 14 of the Listing Rules.

As one of the Percentage Ratios in respect of the provision of the Shareholder's Loans exceeds 5% but is less than 25%, the provision of the Shareholder's Loans constitutes a discloseable transaction for AGL and is subject to announcement requirement but exempt from AGL Shareholders' approval requirement under Chapter 14 of the Listing Rules.

PROVISION OF SHAREHOLDER'S LOANS

As advised and confirmed by TACI, on 11th October, 2022, TACI (an indirect non wholly-owned subsidiary of AGL) and TA Cyberpark (a direct 50%-owned joint venture of TACI) entered into the Supplemental Framework Memorandum, pursuant to which (i) the principal amount of the Shareholder's Loans granted to TA Cyberpark will be increased from the Existing Shareholder's Loan in an amount up to RMB200,000,000 (equivalent to approximately HK\$222,222,000) to an aggregate amount up to RMB380,000,000 (equivalent to approximately HK\$422,222,000); and (ii) the repayment date of the Shareholder's Loans shall be 31st December, 2023.

Prior to the entering into of the Supplemental Framework Memorandum, as advised and confirmed by TACI, TACI and TA Cyberpark entered into the Framework Memorandum on 29th March, 2022, pursuant to which TACI agreed to make available (by itself and/or its subsidiaries) to TA Cyberpark the Existing Shareholder's Loan in the amount up to RMB200,000,000 (equivalent to approximately HK\$222,222,000) which shall be available for drawdown for a term of one year commencing from 3rd December, 2021 and repayable on or before 2nd December, 2022, at an interest rate of 5.5% per annum.

As advised and confirmed by TACI, the principal terms of the Shareholder's Loans provided to TA Cyberpark under the Framework Memorandum (as amended by the Supplemental Framework Memorandum) are as follows:

Date: (i) 29th March, 2022, being the date of the Framework Memorandum
(ii) 11th October, 2022, being the date of the Supplemental Framework Memorandum

Parties: (i) TACI
(ii) TA Cyberpark

Principal amount and interest rate:	Principal amount	Interest rate per annum
	(i) a revolving loan in the amount up to RMB180,000,000 (equivalent to approximately HK\$200,000,000)	a floating interest rate to be determined based on a premium over the Loan Prime Rate, and capped at 8% per annum
	(ii) the Existing Shareholder's Loan in the amount up to RMB200,000,000 (equivalent to approximately HK\$222,222,000)	5.5%

Purpose: General working capital of TA Cyberpark

Drawdown period: The Shareholder's Loans are available for drawdown on or before 31st December, 2023.

Maturity Date: The principal amount, together with any unpaid accrued interest of the Shareholder's Loans, shall be repaid on or before 31st December, 2023.

As advised and confirmed by TACI, as at the date of this joint announcement, the Existing Shareholder's Loan has been drawn down, and the Shareholder's Loans were/will be funded by the internal resources of the TACI Group.

As advised and confirmed by TACI, the interest rates of the Shareholder's Loans were determined after arm's length negotiation between TACI and TA Cyberpark having taken into account the prevailing market interest rates and the tenor of the Shareholder's Loans.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE SHAREHOLDER'S LOANS

As advised and confirmed by TACI, prior to the entering into of the Supplemental Framework Memorandum, TA Cyberpark has drawn down the Existing Shareholder's Loan. The TACI Directors are of the view that the increase of the principal amount of the Shareholder's Loans and the extension of the repayment date of the Existing Shareholder's Loan under the Supplemental Framework Memorandum will facilitate the business development of TA Cyberpark as a whole by meeting the general working capital needs relating to the property development projects undertaken by TA Cyberpark, in which TACI has a 50% equity interest.

As advised and confirmed by TACI, the terms of the Shareholder's Loans (including the interest rates) were negotiated on an arm's length basis between TACI and TA Cyberpark. Furthermore, as the provision of the Shareholder's Loans will bring additional interest income to TACI, the TACI Directors are of the view that the terms of the Framework Memorandum (as amended by the Supplemental Framework Memorandum) and the provision of the Shareholder's Loans are entered into on normal commercial terms, and are fair and reasonable and in the interests of TACI and the TACI Shareholders as a whole.

Based on the information and confirmation provided by TACI and to the best knowledge, information and belief of the AGL Directors, the AGL Directors consider that the Framework Memorandum (as amended by the Supplemental Framework Memorandum) and the provision of the Shareholder's Loans are fair and reasonable and in the interests of AGL and the AGL Shareholders as a whole.

INFORMATION RELATING TO TACI, TA CYBERPARK AND AGL

1. TACI

TACI is a company incorporated in Hong Kong with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange.

The principal business activity of TACI is investment holding. The TACI Group is engaged principally in the development of apartments, villas, office buildings and commercial properties, property investment and property management on the mainland in the PRC, as well as property investment and property management in Hong Kong.

2. TA Cyberpark

As advised and confirmed by TACI, TA Cyberpark is a company established in the PRC with limited liability and a joint venture directly owned as to 50% by TACI and 50% by Shum Yip Terra. The principal business activities of TA Cyberpark are property development and investment, and investment holding.

As advised and confirmed by TACI, to the best knowledge, information and belief of the TACI Directors and the AGL Directors having made all reasonable enquiries, and with reference to the 2021 annual report and 2022 interim report of Shenzhen Investment and according to the latest published record in the register kept under Section 336 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), Shum Yip Terra is a company established in the PRC with limited liability which in turn is beneficially owned as to approximately 75% by Shenzhen Investment, a listed company in Hong Kong (stock code: 604) which in turn is beneficially owned as to approximately 63.19% by 深業集團有限公司 (Shum Yip Group Limited*) via its interest in its subsidiaries.

3. AGL

AGL is a company incorporated in Hong Kong with limited liability, and 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 development mainly comprising apartments, villas, office buildings and commercial properties, property investment, hospitality related activities, provision of elderly care services, property management, cleaning and security guarding services, logistics services, and the provision of finance and investments in listed and unlisted securities.

As advised and confirmed by TACI, and to the best knowledge, information and belief of the TACI Directors and the AGL Directors having made all reasonable enquiries, save for the 50% equity interest Shum Yip Terra holds in TA Cyberpark, Shum Yip Terra and its ultimate beneficial owner(s) are all third parties independent of each of TACI, AGL and their respective connected persons.

LISTING RULES IMPLICATIONS

TACI

As none of the relevant Percentage Ratios in respect of the provision of the Existing Shareholder's Loan on a standalone basis exceeds 5%, the provision of the Existing Shareholder's Loan on a standalone basis does not constitute a notifiable transaction for TACI under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of the provision of the Shareholder's Loans exceeds 5% but is less than 25%, the provision of the Shareholder's Loans constitutes a discloseable transaction for TACI and is subject to announcement requirement but exempt from TACI Shareholders' approval requirement under Chapter 14 of the Listing Rules.

AGL

As TACI is an indirect non wholly-owned subsidiary of AGL, the entering into of the Framework Memorandum and Supplemental Framework Memorandum by TACI shall be a transaction for AGL under the Listing Rules as the definition of "listed issuer" under Chapter 14 of the Listing Rules shall include the listed issuer's subsidiaries.

As none of the relevant Percentage Ratios in respect of the provision of the Existing Shareholder's Loan on a standalone basis exceeds 5%, the provision of the Existing Shareholder's Loan on a standalone basis does not constitute a notifiable transaction for AGL under Chapter 14 of the Listing Rules.

As one of the Percentage Ratios in respect of the provision of the Shareholder's Loans exceeds 5% but is less than 25%, the provision of the Shareholder's Loans constitutes a discloseable transaction for AGL and is subject to announcement requirement but exempt from AGL Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

“AGL”	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)
“AGL Board”	the board of AGL Directors
“AGL Directors”	the directors of AGL
“AGL Shareholders”	the shareholders of AGL
“connected persons”	having the meaning ascribed to it under the Listing Rules
“Existing Shareholder's Loan”	an existing revolving loan in the amount up to RMB200,000,000 (equivalent to approximately HK\$222,222,000) made available by TACI and/or its subsidiaries to TA Cyberpark pursuant to the Framework Memorandum
“Framework Memorandum”	the framework memorandum dated 29th March, 2022 entered into between TACI and TA Cyberpark in relation to the provision of the Existing Shareholder's Loan
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Prime Rate”	the loan prime rate for loans with a term of five years announced by the National Interbank Funding Center from time to time, which is 4.3% as at the date of this joint announcement
“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

“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC”	the People’s Republic of China, for the purpose of this joint announcement only, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder’s Loans”	the shareholder’s loans in the aggregate amount of up to RMB380,000,000 (equivalent to approximately HK\$422,222,000), which is inclusive of the Existing Shareholder’s Loan, to be provided by TACI and/or its subsidiaries to TA Cyberpark
“Shenzhen Investment”	Shenzhen Investment Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 604)
“Shum Yip Terra”	深業泰然(集團)股份有限公司(Shum Yip Terra (Holdings) Company Limited*), a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Framework Memorandum”	the supplemental framework memorandum dated 11th October, 2022 entered into between TACI and TA Cyberpark in relation to the provision of the Shareholder’s Loans
“TA Cyberpark”	天安數碼城(集團)有限公司 (Tianan Cyber Park Group Co., Ltd.*), a company established in the PRC with limited liability and owned as to 50% by each of TACI and Shum Yip Terra respectively
“TACI”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 28), being an indirect non wholly-owned subsidiary of AGL
“TACI Board”	the board of TACI Directors
“TACI Directors”	the directors of TACI
“TACI Group”	TACI and its subsidiaries

“TACI Shareholders” the shareholders of TACI

“%” per cent.

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

On behalf of the TACI Board
Tian An China Investments Company Limited
Tao Tsan Sang
Executive Director

Hong Kong, 11th October, 2022

For the purpose of this joint announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.90. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

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 TACI Board comprises Mr. Song Zengbin (Deputy Chairman), Mr. Patrick Lee Seng Wei (Managing Director), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; Mr. Lee Seng Hui (Chairman) and Dr. Moses Cheng Mo Chi being the Non-Executive Directors; and Mr. Francis J. Chang Chu Fai, Mr. Jiang Guofang, Mr. Jin Hui Zhi, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.

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