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JOINT ANNOUNCEMENT



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)

**(I) DISCLOSEABLE TRANSACTION
IN RELATION TO ACQUISITION OF
TARGET COMPANY A**

**DISCLOSEABLE TRANSACTIONS
IN RELATION TO ACQUISITION OF
THE TARGET COMPANIES**

**(II) CONNECTED TRANSACTION
IN RELATION TO DISPOSAL OF
TARGET COMPANIES C**



亞證地產有限公司
ASIASEC PROPERTIES LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 271)

**(I) VERY SUBSTANTIAL ACQUISITION IN RELATION TO
ACQUISITION OF TARGET COMPANY A**

**(II) MAJOR DISPOSALS AND CONNECTED TRANSACTIONS
IN RELATION TO DISPOSAL OF TARGET COMPANY B AND
TARGET COMPANIES C**

*ASL IFA to the ASL IBC and the Independent ASL Shareholders
in relation to Transaction B and Transaction C*



PELICAN FINANCIAL
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INTRODUCTION

On 27th February, 2023, Purchaser A, an indirect wholly-owned subsidiary of ASL, entered into SPA A with the Lenders, Claude Associates, Mr. SC Wong and Target Company A, pursuant to which (i) Purchaser A shall purchase Sale Shares A (representing the total number of issued shares of Target Company A) from the Lenders, as mortgagees in possession; and (ii) Sale Loan A shall be assigned by the Lenders as mortgagee in possession to Purchaser A, at Consideration A of HK\$3.

Under SPA A, at completion of Transaction A, Purchaser A shall enter into the Loan Agreement whereby it shall provide to Target Company A the Loan in the amount of HK\$1,000,000,000, and which amount shall be remitted to the Lenders (or as they may direct).

With a view to restructure ASL's property portfolio, on the even date, (i) Vendor B, a direct wholly-owned subsidiary of ASL, agreed to sell Sale Share B (representing the entire issued share capital of Target Company B) and assign Sale Loan B to Purchaser B, a direct wholly-owned subsidiary of TACI, at Consideration B of HK\$80,000,000; and (ii) Vendor C, a direct wholly-owned subsidiary of ASL, agreed to sell Sale Shares C (representing the entire issued share capital of the relevant entities comprising Target Companies C) and assign Sale Loans C to Purchaser C, an indirect wholly-owned subsidiary of AGL, at Consideration C of HK\$250,000,000.

LISTING RULES IMPLICATIONS

ASL

As one of the relevant Percentage Ratios in respect of Transaction A exceeds 100%, Transaction A constitutes a very substantial acquisition for ASL and is subject to the notification, announcement, circular and the ASL Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As more than one of the relevant Percentage Ratios in respect of Transaction B exceed 5% but are below 25%, Transaction B constitutes a discloseable transaction for ASL.

As one of the relevant Percentage Ratios in respect of Transaction C exceeds 25% but is below 75%, Transaction C constitutes a major disposal for ASL.

As one of the relevant Percentage Ratios in respect of Transaction B and Transaction C when aggregated with each other in accordance with Rule 14.22 of the Listing Rules exceeds 25% but is below 75%, Transaction B and Transaction C constitute major disposals for ASL. Furthermore, as at the date of this joint announcement, each of TACI and AGL is a substantial shareholder of ASL. Therefore, Purchaser B, being a direct wholly-owned subsidiary of TACI, and Purchaser C, being an indirect wholly-owned subsidiary of AGL, are connected persons of ASL under Chapter 14A of the Listing Rules and Transaction B and Transaction C constitute connected transactions for ASL. Accordingly, Transaction B and Transaction C are subject to the reporting, announcement, circular and Independent ASL Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

The ASL IBC has been established to advise the Independent ASL Shareholders in respect of the terms of each of SPA B and SPA C and the transactions contemplated thereunder. ASL has appointed the ASL IFA to advise the ASL IBC and the Independent ASL Shareholders in relation to the fairness and reasonableness of Transaction B and Transaction C.

The ASL EGM will be convened by ASL for (i) the ASL Shareholders to consider and, if thought fit, approve Transaction A; and (ii) the Independent ASL Shareholders to consider and, if thought fit, approve Transaction B and Transaction C.

As more time is required to collate certain information, the circular of ASL containing, among other things, (i) further information on the Transactions; (ii) a letter of advice from the ASL IFA to the ASL IBC and the Independent ASL Shareholders; (iii) a letter of recommendation from the ASL IBC to the Independent ASL Shareholders; (iv) the property valuation reports of the Properties; and (v) a notice of the ASL EGM, is expected to be despatched to the ASL Shareholders on or before 14th April, 2023.

TACI

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

As none of the relevant Percentage Ratios in respect of Transaction B exceeds 5%, Transaction B does not constitute a notifiable transaction for TACI under Chapter 14 of the Listing Rules.

As at the date of this joint announcement, AGL is a substantial shareholder of TACI and Purchaser C, being an indirect wholly-owned subsidiary of AGL, is a connected person of TACI under Chapter 14A of the Listing Rules. Accordingly, the disposal under Transaction C constitutes a connected transaction for TACI. As more than one of the relevant Percentage Ratios in respect of Transaction C exceed 0.1% but are less than 5%, the disposal under Transaction C is subject to the reporting and announcement requirements but exempt from independent TACI Shareholders' approval requirements under Chapter 14A of the Listing Rules.

AGL

As none of the relevant Percentage Ratios in respect of each of Transaction B and Transaction C on a standalone basis exceeds 5%, each of Transaction B and Transaction C on a standalone basis does not constitute a notifiable transaction for AGL under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of each of (i) Transaction A on a standalone basis; and (ii) Transaction B and Transaction C when aggregate with each other in accordance with Rule 14.22 of the Listing Rules, exceeds 5% but is less than 25%, the Transactions constitutes discloseable transactions for AGL and are subject to the notification and announcement requirements but exempt from AGL Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Completion of each of the Transactions are not inter-conditional upon each other. Each of the Transactions are subject to a number of conditions which may or may not be fulfilled and may or may not proceed. ASL Shareholders, TACI Shareholders, AGL Shareholders and potential investors of each of ASL, TACI and AGL should exercise caution when dealing in the shares of ASL, TACI and AGL respectively.

TRANSACTION A

The principal terms of SPA A are summarised below:

Date

27th February, 2023

Parties

- (1) Ms. Chong, as mortgagee in possession
- (2) Nice Zone, as mortgagee in possession
- (3) BH Management, as mortgagee in possession
- (4) Claude Associates
- (5) Mr. SC Wong
- (6) Purchaser A, as purchaser
- (7) Target Company A

As at the date of this joint announcement, Ms. Chong is interested in (i) 142,938,000 TACI Shares (representing approximately 9.74% of the total number of issued shares of TACI as at the date of this joint announcement) via companies owned by her; and (ii) 303,033,100 AGL Shares (representing approximately 8.62% of the total number of issued shares of AGL as at the date of this joint announcement) via companies owned by her.

Save as disclosed above, to the best knowledge, information and belief of the ASL Directors, TACI Directors and AGL Directors having made all reasonable enquiries, as at the date of this joint announcement, Ms. Chong, Nice Zone, BH Management, Claude Associates, Mr. SC Wong, Target Company A and their respective ultimate beneficial owner(s) (where applicable) are all third parties independent of each of ASL, TACI, AGL and their respective connected persons.

ASL made contact with the agent of the Lenders (the identity which became known to ASL based on public information) to obtain more information on Property A, and became acquainted with the representatives of Target Company A and Claude Associates during the due diligence process of Target Company A and Property A.

Subject matter

Under the Facility Agreement, Ms. Chong, Nice Zone and BH Management together as the Lenders agreed to make available a facility to Target Company A, and as securities for the facility, among others, (i) the Share Mortgage in respect of Sale Shares A was provided by Claude Associates (which owns the total number of issued shares of Target Company A) and Mr. SC Wong (who holds the entire issued share capital of Claude Associates), both as mortgagors, in favour of a security agent acting for and on behalf of the Lenders; and (ii) the Deed of Assignment relating to Sale Loan A was provided by Claude Associates as assignor in favour of a security agent acting for and on behalf of the Lenders.

As at the date of this joint announcement, Target Company A was in default under the Facility Agreement and accordingly, the Lenders became entitled to enforce the securities constituted under the Share Mortgage and the Deed of Assignment.

In light of the above default and right to securities enforcement, SPA A was entered into whereby, subject to the fulfilment (or waiver where applicable) of the conditions contemplated thereunder, (i) Purchaser A (an indirect wholly-owned subsidiary of ASL) shall acquire, and the Lenders as mortgagees in possession shall sell, Sale Shares A together with all rights and benefits attaching or accruing to them on or after the date of SPA A with respect to Sale Shares A; and (ii) Sale Loan A shall be assigned by the Lenders as mortgagees in possession to Purchaser A, at Consideration A of HK\$3.

The parties to SPA A further agreed that, at completion of Transaction A, Purchaser A shall enter into the Loan Agreement whereby it shall provide to Target Company A the secured Loan in the amount of HK\$1,000,000,000, and which amount shall be remitted to the Lenders (or as they may direct).

Total Payment

The Total Payment for Transaction A shall be HK\$1,000,000,003 (comprising Consideration A and the Loan), and shall be payable by Purchaser A at completion of Transaction A in accordance with the payment instructions given by the Lenders.

The amount of Total Payment was determined by Purchaser A and the Lenders after arm's length negotiation taking into account (i) the valuation of Property A (being the principal asset held by Target Company A) of HK\$1,240,000,000 as at 14th December, 2022 as determined by an independent valuer; (ii) the net asset value of Target Company A as at 31st October, 2022; (iii) the disclaimer of opinion issued by the auditor on the financial statements of Target Company A for the year ended 31st December, 2021, and the expectation that the provisions under SPA A together with the action of obtaining independent valuation of Property A would be sufficient in resolving the issues constituting the disclaimer of opinion; (iv) the prospect of Target Company A; and (v) the current property market sentiment in Hong Kong.

The Total Payment shall be financed by internal resources of the ASL Group and/or borrowings.

Conditions

Completion of the sale and purchase of Sale Shares A and the assignment of Sale Loan A is conditional upon the fulfilment of each of the following conditions:

- (i) all authorisations (including but not limited to approvals or permissions of any kind of, from or by the Stock Exchange and the Securities and Futures Commission) and any shareholder's approval necessary for the consummation of the transactions contemplated under SPA A having been obtained by the Lenders, Purchaser A, Target Company A and, as the case may be, the holding companies of Purchaser A, namely ASL, TACI and AGL, and remaining in full force and effect;
- (ii) Target Company A having shown and proved and being able to show, prove and give a good title to Property A in accordance with sections 13 and 13A of the CPO;
- (iii) the representations and warranties given by Mr. SC Wong and Claude Associates and all the representations, undertakings and warranties given by the Lenders under SPA A being and shall remain true, accurate, and not misleading in all respects up to completion;
- (iv) Purchaser A having been satisfied with the results of such enquiries, investigations and due diligence reviews of the business, operations, assets, position (financial or otherwise) of Target Company A and Property A conducted by or on behalf of Purchaser A or any of its officers, employees, agents, professional advisers or other agents as Purchaser A, in its sole discretion, deems necessary, desirable or appropriate to undertake; and
- (v) no material adverse change in the business, operations, assets, position (financial or otherwise) of Target Company A or Property A having occurred.

Purchaser A may, at its absolute discretion, waive any of the conditions to be performed and/or fulfilled by the other parties to SPA A (except conditions (i) and (ii), which cannot be waived). As at the date of this joint announcement, none of the conditions to Transaction A had been fulfilled.

Completion

Completion of Transaction A is not inter-conditional upon completion of Transaction B nor Transaction C.

The completion of Transaction A shall take place on the date falling three business days after all conditions are fulfilled or waived (as the case may be) or such other date as the Lenders and Purchaser A may mutually agree in writing.

Upon completion, Target Company A shall become an indirect wholly-owned subsidiary of ASL and its financial results shall be consolidated into the ASL Group's financial statements.

If any of the conditions to Transaction A is not fulfilled or waived by Purchaser A (except that conditions (i) and (ii) cannot be waived) on or before Long Stop Date A, (i) no party to SPA A shall be obliged to proceed to completion; (ii) save for the continuing provisions in SPA A, SPA A shall cease to have any effect; and (iii) no party shall have any claim against any of the other parties, except in respect of claims arising out of any antecedent breach of any provision of SPA A, and of the continuing provisions of SPA A.

Novation and releases

Pursuant to SPA A, it is agreed among the parties that, at completion:

- (i) Target Company A, the Lenders and Mr. SC Wong shall enter into the Novation Deed, whereby Target Company A's obligations, duties and liabilities as borrower under the Facility Agreement shall be novated to Mr. SC Wong, to the effect that Mr. SC Wong shall be personally liable for all obligations, duties and liabilities associated with the Facility Agreement;
- (ii) Target Company A, Mr. SC Wong and the relevant creditor(s) shall enter into novation deed(s) whereby Target Company A's obligations, duties and liabilities as borrower under any loan, credit or facility agreement(s) or arrangement(s) other than the Facility Agreement as shown in (a) the audited financial statements of Target Company A for the years ended 31st December, 2021 and 31st December, 2022; and/or (b) the management accounts of Target Company A for the period from 1st January, 2023 up to the date of completion of Transaction A, shall be novated to Mr. SC Wong;
- (iii) (in respect of any pending claims, proceedings, litigation, arbitration or contingent liability subsisting on or prior to the completion of Transaction A which Target Company A is a party, whether as plaintiff or defendant or otherwise being a party thereto (collectively, the "**Pending Claims**")) in the event that there is any underlying agreement or contractual arrangement with regard to such Pending Claims and in which Target Company A is a party, Target Company A, Mr. SC Wong and the relevant counterparty(ies) shall enter into novation deed(s) whereby Target Company A's obligations, duties and liabilities under such agreements or contractual arrangements shall be novated to Mr. SC Wong; and
- (iv) all existing encumbrances over Sale Shares A, Sale Loan A and/or the assets of Target Company A (including but not limited to the Share Mortgage and the Deed of Assignment) shall be duly and fully discharged or released or extinguished by the relevant parties.

Purchaser A shall not be obliged to proceed with the completion of Transaction A unless and until such novation and releases have been validly and duly effected.

Undertaking by Mr. SC Wong and Claude Associates

Mr. SC Wong and Claude Associates jointly and severally covenant and undertake with Purchaser A and Target Company A that they will fully and effectually indemnify and at all times keep fully and effectually indemnified each of Target Company A and Purchaser A from and against any losses, claims, damages, costs, expenses, liabilities and obligations incurred or suffered by Target Company A on or before the date of completion of Transaction A.

Information of Target Company A

Target Company A is a company incorporated in Hong Kong with limited liability and is engaged in property investment. The principal asset of Target Company A is Property A.

Set out below is the financial information of Target Company A for the years ended 31st December, 2020 and 2021 as extracted from its financial statements.

	For the year ended 31st December, 2020	For the year ended 31st December, 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>
Revenue	3,600	3,600
Net profit/(loss) before tax	618,426	(117,794)
Net profit/(loss) after tax	618,426	(117,794)

The financial statements of Target Company A for the year ended 31st December, 2021 contain a disclaimer of opinion by the auditor, which stated that (i) the auditor was unable to obtain a valuation report to determine the fair value of the investment properties (i.e. Property A) and whether the carrying value of such investment properties as set out in the said financial statements was fairly stated; and (ii) the auditor was unable to obtain sufficient evidence to satisfy itself that Target Company A is able to generate future sufficient cashflows to meet its liabilities and obligations as they fall due, and accordingly, it was unable to determine the reasonableness of the assumptions that Target Company A could operate as a going concern.

The ASL Directors have looked into the causes of the said disclaimer of opinion. To the best of their knowledge and belief having made all reasonable enquiries, since (i) ASL has engaged an independent valuer, which issued a valuation report stating that the market value of Property A was in the sum of HK\$1,240,000,000 as at 14th December, 2022; and (ii) upon completion of Transaction A, all existing obligations, duties and liabilities of Target Company A as borrower or otherwise under any loan, credit or facility agreement(s) or arrangement(s) and all existing encumbrances over Sale Shares A, Sale Loan A and/or the assets of Target Company A shall either be novated, discharged, released or indemnified by the relevant parties under SPA A, it is expected that the issues constituting the disclaimer of opinion shall be resolved upon completion of Transaction A.

According to the unaudited financial information of Target Company A, as at 31st October, 2022, Target Company A had a net asset value of approximately HK\$1,664,100,000. Should the said carrying value of Property A in such unaudited financial information be adjusted by the valuation of Property A of HK\$1,240,000,000 as determined by the independent valuer, Target Company A would have an adjusted net asset value of approximately HK\$199,926,000.

Information of Property A

Property A comprises 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, with a total gross floor area of 163,538 sq. ft.

Based on the information provided by Target Company A, Property A has undergone refurbishment and was closed since then, and the major refurbishment was completed in June 2021. The management of ASL has conducted a site visit of Property A and concluded that its internal condition was fair. Should Transaction A materialise and complete, ASL plans to carry out improvement and addition & alteration works for Property A with the intention to increase its rental and/or resale value.

As part of the preliminary planning process for the improvement and addition & alteration works and to ascertain the feasibility thereof, ASL has arranged technical expert(s) to conduct a preliminary technical due diligence on the conditions of existing facilities of Property A.

In assessing the feasibility of the leasing out of Property A in future, ASL has carried out internal market researches to (i) analyse the prospect of Property A based on the latest development of Tsuen Wan; and (ii) study any possible strategies on the tenant mix of Property A which in turn may facilitate the leasing out of Property A in future.

The research results showed that (i) a number of large-scale residential projects were completed in Tsuen Wan West in recent years, which are expected to contribute to consumer spending in that area; (ii) the surrounding area of Property A has a heavy pedestrian flow; and (iii) Tsuen Wan has an established transport network which is conducive to attract customers from other parts of Hong Kong. In addition, the relaxation of social distancing measures in December 2022 as well as the resumption of quarantine-free travel between Hong Kong and Mainland China from February 2023 onwards are expected to positively impact market sentiment in Hong Kong. With the view to facilitate the leasing out of Property A, ASL has researched on the tenant mix of the neighbourhood shopping malls in Tsuen Wan District in general, and actively approached several real estate agents, marketing agencies and consultants to discuss on the possible positioning of Property A and options for the tenant mix therein. With such suggestions, ASL has also gathered feedback and advice from several external consultants on possible changes to the interior design of Property A so as to re-direct customer traffic flow inside Property A for better shopping experience. ASL is currently reviewing the proposals on the refurbishment plan from such consultants, and expects to continue the discussions with the consultants, and to engage other experts if and when necessary.

Having obtained external advice from professionals and carried out internal market researches, and considered (i) the development of Tsuen Wan, which is conducive to the prospect of Property A; (ii) the strategy on the possible tenant mix of Property A, which may facilitate the leasing out of Property A in future; and (iii) the possible renovation works that may be carried out for the improvement of the condition of Property A, subject to any unforeseen market changes, the ASL Directors are of the view that the feasibility of leasing out of Property A has been assessed in detail, the acquisition of Property A is a reasonable investment opportunity for ASL and would strengthen the retail segment of ASL's commercial property investment. ASL will evaluate its financial position and fund the improvement works of Property A by its financial resources available at that point in time, borrowings, or a combination of both after the scope and estimated cost of the improvement works for Property A are finalised.

Should Transaction A materialise and complete, it is expected that it will take around four months for ASL to finalise the scope of the improvement and addition & alteration works for Property A, and from that, five months for the completion of such works. Taking into account the time required for the marketing of the retail portion of Property A and subject to any unforeseen circumstances, ASL expects the retail portion of Property A will be leased out and generate rental income gradually after two months from the date of completion of the improvement and addition & alteration works for Property A. Whilst it is the current intention of ASL to lease out Property A should Transaction A complete, subject to change in market sentiment and with the view to enhance the returns of the ASL shareholders, ASL does not rule out the possibility of disposing of Target Company A in future to realise its capital gain.

Loan Arrangements

To the best of the ASL Directors' knowledge, information and belief having made all reasonable enquiries with, and/or as provided by, the relevant parties, or making references to the public information available:

- (i) in the past twelve (12) months, there have been material loan arrangements between (a) the counterparties of Transaction A, its directors and legal representatives and/or any ultimate beneficial owner(s) of the counterparties of Transaction A who can exert influence on Transaction A; and (b) ASL, the connected person(s) at ASL's level and/or the connected person(s) at ASL's subsidiary level (to the extent that such subsidiary(ies) are involved in Transaction A ("**Loan Arrangements**")). The outstanding principal amount of such Loan Arrangements which have been disclosed in the Previous Announcements in aggregate represents a majority of the total outstanding principal amount under all such Loan Arrangements;
- (ii) the Loan Arrangements have no relationship with Claude Associates, Mr. SC Wong, Target Company A and Property A in respect of Transaction A; and
- (iii) there is no agreement, arrangement, understanding of memorandum or undertaking, formally or informally, which has been entered into, or proposes to be entered into in respect of Transaction A and the Total Payment for Transaction A between (a) Claude Associate and the Lenders and their ultimate beneficial owners and (b) ASL, any connected person at ASL's level and/or any connected person of ASL's subsidiaries involved in Transaction A.

The Loan Arrangements are not within the scope of consideration by the ASL Board in its assessment of Transaction A.

The independent non-executive directors of ASL (excluding Ms. Lisa Yang Lai Sum, being an independent non-executive director of each of AGL and TACI, who has abstained from voting in the ASL Board resolutions in respect of the Transactions) have considered, and are satisfied with, the abovementioned confirmations made by the ASL Directors, and are of the view that the terms of Transaction A are fair and reasonable having noted the Loan Arrangements.

TRANSACTION B

The principal terms of SPA B are summarised below:

Date

27th February, 2023

Parties

- (1) Vendor B, as vendor
- (2) Purchaser B, as purchaser

Subject matter

Pursuant to SPA B and subject to the fulfilment (or waiver where applicable) of the conditions contemplated thereunder, (i) Purchaser B (a direct wholly-owned subsidiary of TACI) shall acquire, and Vendor B (a direct wholly-owned subsidiary of ASL) shall sell, Sale Share B and together with all rights and benefits attaching or accruing to it on or after the date of SPA B with respect to Sale Share B; and (ii) Sale Loan B shall be assigned by Vendor B to Purchaser B.

Consideration

The consideration for Transaction B shall be HK\$80,000,000, and shall be payable by Purchaser B to Vendor B (or its nominee) at completion of Transaction B in accordance with the payment instructions given by Vendor B.

The amount of Consideration B was determined by Purchaser B and Vendor B after arm's length negotiation taking into account (i) the valuation of Property B (being the principal asset held by the subsidiaries of Target Company B) of HK\$57,240,000 as at 14th December, 2022 as determined by an independent valuer jointly engaged by ASL and TACI; (ii) the consolidated net asset value of Target Company B (on the assumption that the Reorganisation had taken place on 1st January, 2020 and 1st January, 2021) as at 30th November, 2022; and (iii) the amount of Sale Loan B.

Consideration B shall be financed by internal resources of the TACI Group.

Conditions

Completion of the sale and purchase of Sale Share B is conditional upon the fulfilment of each of the following conditions:

- (i) the representations and warranties given by Vendor B remaining true and accurate and not misleading in any material respect as given as of the date of SPA B and as of completion, and as if given at all times between the date of SPA B and completion;
- (ii) all authorisations (including but not limited to approvals or permissions of any kind of, from or by the Stock Exchange and the Securities and Futures Commission) and any shareholders' approval necessary for the consummation of the transactions contemplated in SPA B having been obtained by Vendor B, Purchaser B, Target Company B, the Reorganisation Companies and, as the case may be, by the respective holding companies of Vendor B and Purchaser B, and remaining in full force and effect;
- (iii) completion of the Reorganisation having taken place;
- (iv) the relevant Reorganisation Companies being in full control and possession of the respective properties under Property B owned by each of them subject only to the existing tenancies in respect of Property B;
- (v) Purchaser B having been satisfied with the results of such enquiries, investigations and due diligence reviews of the business, operations, assets, position (financial or otherwise) of Target Company B, the Reorganisation Companies and Property B conducted by or on behalf of Purchaser B or any of its officers, employees, agents, professional advisers or other agents as Purchaser B, in its sole discretion, deems necessary, desirable or appropriate to undertake; and
- (vi) no material adverse change in the business, operations, assets, position (financial or otherwise) of Target Company B, the Reorganisation Companies or Property B having occurred.

Purchaser B, may at its absolute discretion, waive any of the conditions to be performed and/or fulfilled by Vendor B (except conditions (ii), (iii) and (iv), which cannot be waived). As at the date of this joint announcement, none of the conditions to Transaction B had been fulfilled.

Completion

Completion of Transaction B is not inter-conditional upon completion of Transaction A nor Transaction C.

The completion of Transaction B shall take place on the date falling three business days after all conditions are fulfilled or waived (as the case may be) or such other date as Purchaser B and Vendor B may mutually agree in writing.

As at the date of this joint announcement, Target Company B is an indirect wholly-owned subsidiary of ASL. Upon completion, ASL shall cease to have any interest in Target Company B, and Target Company B shall become an indirect wholly-owned subsidiary of TACI and its financial results will remain consolidated in the TACI Group's financial statements.

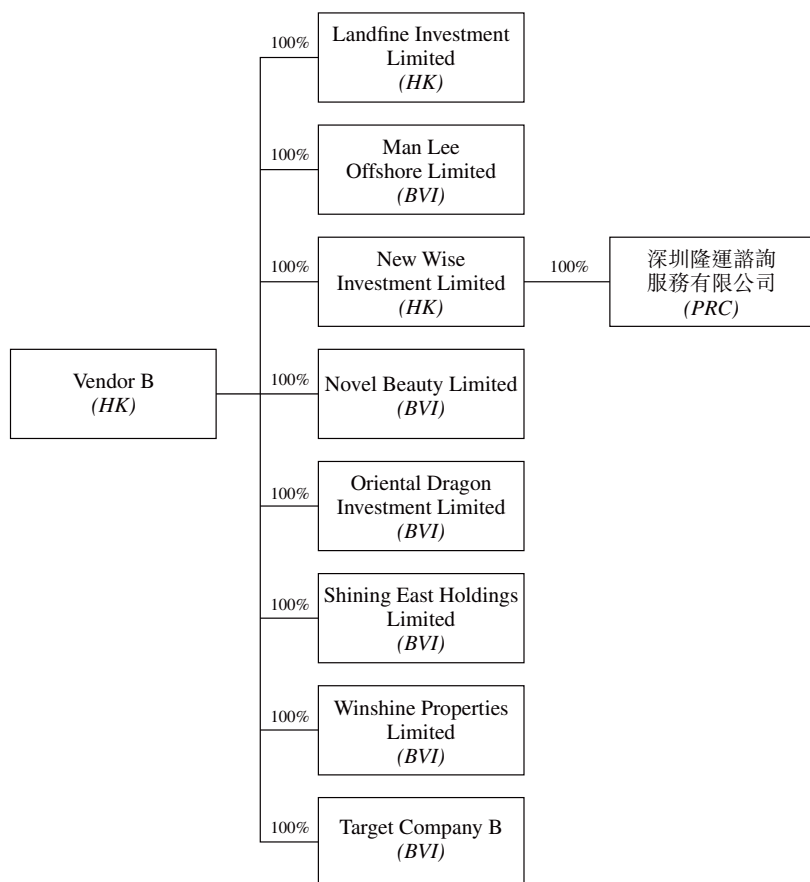
If any of the conditions to Transaction B is not fulfilled or waived by Purchaser B (except that conditions (ii), (iii) and (iv) cannot be waived) on or before Long Stop Date B, (i) no party to SPA B shall be obliged to proceed to completion; (ii) save for the continuing provisions in SPA B, SPA B shall cease to have any effect; and (iii) no party shall have any claim against the other party, except in respect of claims arising out of any antecedent breach of any provision of SPA B, and of the continuing provisions of SPA B.

The Reorganisation

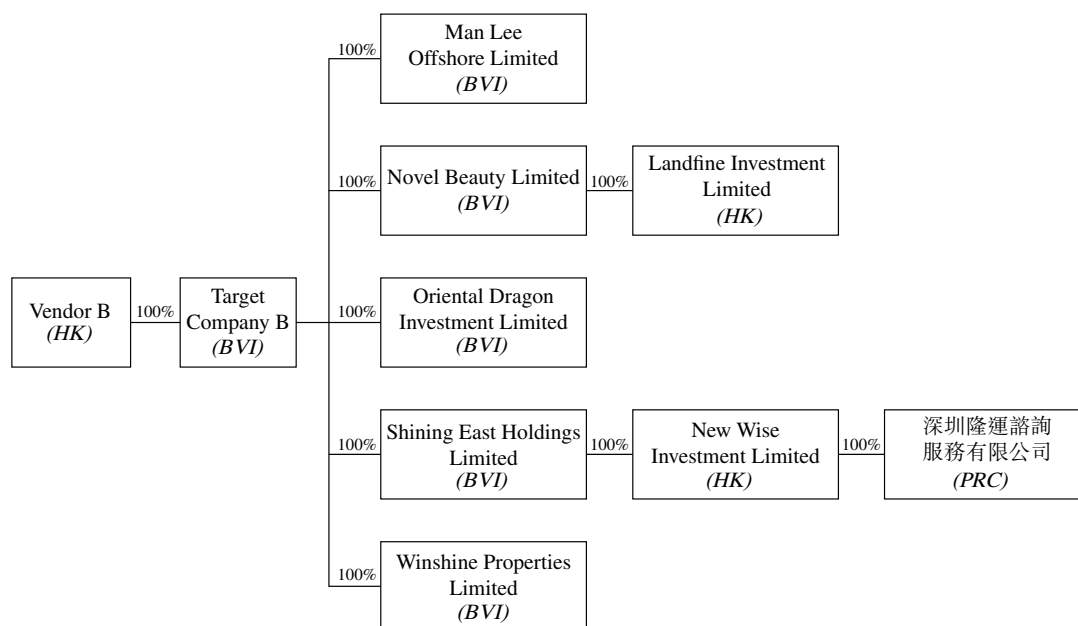
In order to fulfill condition (iii) to completion of Transaction B, Vendor B shall undergo the Reorganisation involving and to the effect that the Reorganisation Companies will be directly or indirectly wholly-owned by Target Company B.

The group structures of (i) the Reorganisation Companies as at the date of this joint announcement; and (ii) Target Company B after the Reorganisation and immediately before completion are as follows:

Before the Reorganisation



After the Reorganisation



Information of Target Company B

Target Company B is a company incorporated in BVI with limited liability and is an investment holding company. The principal assets of Target Company B and its subsidiaries, upon completion of the Reorganisation, would be Property B.

The following is the unaudited consolidated financial information of Target Company B (on the assumption that the Reorganisation had taken place on 1st January, 2020 and 1st January, 2021) for the years ended 31st December, 2020 and 2021, which has been prepared in accordance with HKFRS:

	For the year ended 31st December, 2020	For the year ended 31st December, 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	1,231	1,216
Net profit before tax	5,008	3,263
Net profit after tax	4,956	2,531

According to the unaudited consolidated financial information of Target Company B (on the assumption that the Reorganisation had taken place on 1st January, 2020 and 1st January, 2021), as at 30th November, 2022, Target Company B had (i) a consolidated net asset value of approximately HK\$10,171,000; and (ii) an adjusted consolidated net asset value of approximately HK\$11,365,000 after adjusted for the latest valuation of Property B.

Property B comprises a total of six individual residential properties and/or mixed-use commercial properties in the PRC which shall be indirectly held by Target Company B upon completion of the Reorganisation, with a total gross floor area of 8,514 sq. ft.

FINANCIAL IMPACT OF TRANSACTION B ON ASL

Upon completion of the transactions contemplated under SPA B, it is estimated that the ASL Group will record a gain of approximately HK\$565,000 which is calculated on the basis of (i) Consideration B of HK\$80,000,000; (ii) the consolidated adjusted net asset value of Target Company B (on the assumption that the Reorganisation had taken place on 1st January, 2020 and 1st January, 2021 and adjusted for the latest valuation of Property B) of HK\$11,365,000 as at 30th November, 2022; and (iii) the amount of Sale Loan B.

The ASL Shareholders should note that the above figures are for illustrative purposes only. The actual gain or loss arising from Transaction B may be different from the above estimation and will be determined based on the book value of Target Company B and the relevant expenses incurred at completion and is subject to review by ASL's auditors.

USE OF PROCEEDS OF TRANSACTION B BY ASL

The proceeds arising from Transaction B of approximately HK\$80,000,000 shall be used by ASL for general working capital purposes.

TRANSACTION C

The principal terms of SPA C are summarised below:

Date

27th February, 2023

Parties

- (1) Vendor C, as vendor
- (2) Purchaser C, as purchaser

Subject matter

Pursuant to SPA C and subject to the fulfilment (or waiver where applicable) of the conditions contemplated thereunder, (i) Purchaser C (an indirect wholly-owned subsidiary of AGL) shall acquire, and Vendor C (a direct wholly-owned subsidiary of ASL) shall sell, Sale Shares C and together with all rights and benefits attaching or accruing to them on or after the date of SPA C with respect to Sale Shares C; and (ii) Sale Loans C shall be assigned by Vendor C to Purchaser C.

Consideration

The consideration for Transaction C shall be HK\$250,000,000, and shall be payable by Purchaser C to Vendor C (or its nominee) at completion of Transaction C in accordance with the payment instructions given by Vendor C.

The amount of Consideration C was determined by Purchaser C and Vendor C after arm's length negotiation taking into account (i) the valuation of Property C (being the principal asset held by the subsidiaries of Target Companies C) of HK\$252,300,000 as at 14th December, 2022 as determined by an independent valuer jointly engaged by ASL and AGL; (ii) the aggregated consolidated net asset value of Target Companies C as at 30th November, 2022; and (iii) the amount of Sale Loans C.

Consideration C shall be financed by internal resources of the AGL Group and/or borrowings.

Conditions

Completion of the sale and purchase of Sale Shares C is conditional upon the fulfilment of each of the following conditions:

- (i) the representations and warranties given by Vendor C remaining true and accurate and not misleading in any material respect as given as of the date of SPA C and as of completion, and as if given at all times between the date of SPA C and completion;
- (ii) all authorisations (including but not limited to approvals or permissions of any kind of, from or by the Stock Exchange and the Securities and Futures Commission) and any shareholders' approval necessary for the consummation of the transactions contemplated in SPA C having been obtained by Vendor C, Purchaser C, Target Companies C and their subsidiaries and, as the case may be, by the respective holding companies of Vendor C and Purchaser C, and remaining in full force and effect;
- (iii) the relevant subsidiaries of Target Companies C being in full control and possession of the respective properties under Property C owned by each of them subject only to the existing tenancies in respect of Property C;
- (iv) Purchaser C having been satisfied with the results of such enquiries, investigations and due diligence reviews of the business, operations, assets, position (financial or otherwise) of Target Companies C, their subsidiaries and Property C conducted by or on behalf of Purchaser C or any of its officers, employees, agents, professional advisers or other agents as Purchaser C, in its sole discretion, deems necessary, desirable or appropriate to undertake; and
- (v) no material adverse change in the business, operations, assets and position (financial or otherwise) of Target Companies C, their subsidiaries or Property C having occurred.

Purchaser C, may at its absolute discretion, waive any of the conditions to be performed and/or fulfilled by Vendor C (except conditions (ii) and (iii), which cannot be waived). As at the date of this joint announcement, none of the conditions precedent to Transaction C had been fulfilled.

Completion

Completion of Transaction C is not inter-conditional upon completion of Transaction A nor Transaction B.

The completion of Transaction C shall take place on the date falling three business days after all conditions are fulfilled or waived (as the case may be) or such other date as Purchaser C and Vendor C may mutually agree in writing.

As at the date of this joint announcement, each entity of Target Companies C is an indirect wholly-owned subsidiary of ASL. Upon completion, TACI (via its interest in ASL) and ASL shall cease to have any interest in Target Companies C, and each entity of Target Companies C shall become an indirect wholly-owned subsidiary of AGL and their financial results will remain consolidated in the AGL Group's financial statements.

If any of the conditions to Transaction C is not fulfilled or waived by Purchaser C (except that conditions (ii) and (iii) cannot be waived) on or before Long Stop Date C, (i) no party to SPA C shall be obliged to proceed to completion; (ii) save for the continuing provisions in SPA C, SPA C shall cease to have any effect; and (iii) no party shall have any claim against the other party, except in respect of claims arising out of any antecedent breach of any provision of SPA C, and of the continuing provisions of SPA C.

Information of Target Companies C

Hero Bless

Hero Bless is a company incorporated in BVI with limited liability on 21st July, 2021 and is an investment holding company. The principal assets of Hero Bless and its subsidiary are an office property and two car-parking spaces in Hong Kong.

Set out below is the unaudited consolidated financial information of Hero Bless for the years ended 31st December, 2020 and 2021 (assuming Hero Bless was incorporated on 1st January, 2020).

	For the year ended 31st December, 2020 HK\$'000	For the year ended 31st December, 2021 HK\$'000
Revenue	4,376	2,998
Net loss before tax	1,150	1,303
Net loss after tax	1,536	1,286

According to the unaudited consolidated financial information of Hero Bless, as at 30th November, 2022, Hero Bless had (i) a consolidated net asset value of approximately HK\$73,422,000; and (ii) an adjusted consolidated net asset value of approximately HK\$71,538,000 after adjusted for the latest valuation of the properties held by Hero Bless.

Wisdom Giant

Wisdom Giant is a company incorporated in BVI with limited liability on 28th July, 2021 and is an investment holding company. The principal assets of Wisdom Giant and its subsidiary are three residential properties and three car-parking spaces in Hong Kong.

Set out below is the unaudited consolidated financial information of Wisdom Giant for the years ended 31st December, 2020 and 2021 (assuming Wisdom Giant was incorporated on 1st January, 2020).

	For the year ended 31st December, 2020 HK\$'000	For the year ended 31st December, 2021 HK\$'000
Revenue	1,688	1,980
Net profit before tax	305	2,638
Net (loss)/profit after tax	(15)	2,564

According to the unaudited consolidated financial information of Wisdom Giant, as at 30th November, 2022, Wisdom Giant had (i) a consolidated net asset value of approximately HK\$27,754,000; and (ii) an adjusted consolidated net asset value of approximately HK\$22,154,000 after adjusted for the latest valuation of the properties held by Wisdom Giant.

FINANCIAL IMPACT OF TRANSACTION C ON ASL AND TACI

Based on the amount of Consideration C of HK\$250,000,000, the aggregated adjusted consolidated net asset value of Target Companies C of HK\$93,692,000 (as adjusted for the latest valuation of Property C) as at 30th November, 2022, the amount of Sale Loans C and the attributable interest of TACI in ASL (in the case of TACI), it is expected that, upon completion of the transactions contemplated under SPA C, (i) the ASL Group will record a loss of approximately HK\$529,000; and (ii) the TACI Group will record an attributable loss of approximately HK\$396,000.

The ASL Shareholders and TACI Shareholders should note that the above figures are for illustrative purposes only. The actual gain or loss arising from Transaction C may be different from the above estimation and will be determined based on the aggregate book value of Target Companies C and the relevant expenses incurred at completion and is subject to review by each of ASL's auditors and TACI's auditors.

USE OF PROCEEDS OF TRANSACTION C BY ASL

The proceeds arising from Transaction C of approximately HK\$250,000,000 will be used by ASL for general working capital purposes.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

ASL

ASL Group's core businesses comprise property investment, property leasing and estate management in Hong Kong. It regularly looks for attractive opportunities to add to and/or restructure its property portfolio.

ASL's property investment portfolio comprises mainly of commercial properties with retail elements, namely shopping malls as disclosed in the 2021 annual report of ASL, and other non-core residential properties and mixed-use commercial properties such as offices and car-parking spaces in Hong Kong and the PRC. With a view to streamlining ASL's property investment portfolio which may be conducive to bringing better returns to the ASL Shareholders, it is the intention of the ASL Board to (i) focus more on the retail segment of ASL's commercial property investment through the acquisitions of relevant properties and to concentrate on its development thereafter; and/or (ii) depending on the market sentiment and without materially affecting the operations of the ASL Group, dispose of the non-core residential properties and mixed-use commercial properties of ASL.

Having considered that (i) Property A is located in Hong Kong where most of the investment properties currently managed by the ASL Group are at; (ii) a stable recurring rental income could be generated from the leasing of Property A; (iii) the amount of Total Payment represents a discount to the valuation of Property A as at 14th December, 2022; (iv) the terms of Transaction A involve the novation of Target Company A's obligations and liabilities as borrower under the Facility Agreement and all other liabilities under any loan, credit, agreement(s) or arrangement(s) falling on Target Company A as at the date of completion to Mr. SC Wong at completion of Transaction A; (v) the undertaking given by Mr. SC Wong and Claude Associates to indemnify Purchaser A from and against any losses suffered by Target Company A on or before the date of completion of Transaction A; (vi) completion of Transaction A is subject to the release of all existing encumbrances over the assets of Target Company A; and (vii) the issues constituting the disclaimer of opinion issued by the auditor on the financial statements of Target Company A for the year ended 31st December, 2021 are expected to be resolved upon completion of Transaction A, the ASL Directors (excluding those who shall abstain from voting on the relevant ASL Board resolutions or did not attend the relevant ASL Board meetings) are of the view that the amount of the Total Payment is fair and reasonable, and Transaction A is a reasonable investment opportunity for the ASL Group realise its plan to focus more on the retail segment of its commercial property investment and enhance the returns on investment for the ASL Group.

In relation to Transaction B and Transaction C, the ASL Directors (excluding those who shall abstain from voting on the relevant ASL Board resolutions or did not attend the relevant ASL Board meetings, and the relevant independent non-executive directors, namely Messrs. Li Chak Hung and Choi Kin Man, whose opinion will be provided after reviewing the advice of the ASL IFA) have assessed the impact of the two transactions on the ASL Group independently on a stand-alone basis, and are of the view that:

- (i) the amount of Consideration B and Consideration C are fair and reasonable with reference to the valuation of Property B and Property C prepared by an independent valuer jointly engaged by ASL and TACI (in the case of Property B), and by ASL and AGL (in the case of Property C) respectively;

- (ii) the proceeds of Transaction B and Transaction C can be used as general working capital for future expansion of ASL's commercial property investment, particularly the retail segment; and
- (iii) with the disposal of ASL's non-core residential properties and mixed-use commercial properties upon completion of Transaction B and Transaction C, irrespective of whether Transaction A will proceed to completion, ASL can focus more on and better allocate its resources to the retail segment of its commercial property investment.

Having considered all of the above, the ASL Directors (excluding those who shall abstain from voting on the relevant ASL Board resolutions or did not attend the relevant ASL Board meetings, and the relevant independent non-executive directors, namely Messrs. Li Chak Hung and Choi Kin Man, whose opinion in respect of Transaction B and Transaction C will be provided after reviewing the advice of the ASL IFA) are of the opinion that the terms of SPA A, SPA B and SPA C, and the respective transactions contemplated thereunder, are fair and reasonable and in the interests of ASL and the ASL Shareholders as a whole.

TACI

To the best knowledge, information and belief of the TACI Directors (excluding those who shall abstain from voting on the relevant TACI Board resolutions) and based on (i) the information currently available to them including information and confirmation provided by ASL in respect of Transaction A; and (ii) the view of the ASL Board on the reasons for and benefits of Transaction A as disclosed in this joint announcement, they consider that as the holding company of ASL, TACI could indirectly enjoy the benefits expected to be brought to ASL by Transaction A. Accordingly, the TACI Directors (excluding those who shall abstain from voting on the relevant TACI Board resolutions) are of the view that the terms of SPA A and the transactions contemplated thereunder are fair and reasonable and in the interests of TACI and the TACI Shareholders as a whole.

In relation to Transaction C, the TACI Directors (excluding those who shall abstain from voting on the relevant TACI Board resolutions) are of the view that (i) TACI, as the holding company of ASL, could indirectly enjoy the benefits expected to be brought to ASL by Transaction C; and (ii) there would not be any material adverse impact to the operations and financial conditions of the TACI Group considering the effect of Transaction C.

Based on the above, the TACI Directors (excluding those who shall abstain from voting on the relevant TACI Board resolutions) are of the view that the terms of SPA C and the transactions contemplated thereunder are fair and reasonable and in the interests of TACI and the TACI Shareholders as a whole.

AGL

To the best knowledge, information and belief of the AGL Directors (excluding those who shall abstain from voting on the relevant AGL Board resolutions) and based on (i) the information currently available to them including information and confirmation provided by ASL in respect of Transaction A; and (ii) the view of the ASL Board on the reasons for and benefits of Transaction A as disclosed in this joint announcement, they consider that as the holding company of TACI which in turn is the holding company of ASL, AGL could indirectly enjoy the benefits expected to be brought to ASL by Transaction A. Accordingly, the AGL Directors (excluding those who shall abstain from voting on the relevant AGL Board resolutions) are of the view that the terms of SPA A and the transactions contemplated thereunder are fair and reasonable and in the interests of AGL and the AGL Shareholders as a whole.

In relation to Transaction B and Transaction C, the AGL Directors (excluding those who shall abstain from voting on the relevant AGL Board resolutions) are of the view that (i) AGL has extensive experience in property investment in Hong Kong and is well equipped to manage and operate Property C; (ii) AGL, as the holding company of each of TACI and ASL, could indirectly enjoy the benefits expected to be brought to TACI and ASL by Transaction B; and (iii) there would not be any material adverse impact to the operations and financial conditions of the AGL Group considering the overall effect of Transaction B and Transaction C.

Based on the above, the AGL Directors (excluding those who shall abstain from voting on the relevant AGL Board resolutions) are of the view that the terms of SPA B and SPA C, and the respective transactions contemplated thereunder, are fair and reasonable and in the interests of AGL and the AGL Shareholders as a whole.

INFORMATION RELATING TO ASL, TACI, AGL AND THE PARTIES TO THE TRANSACTIONS

(1) ASL

ASL 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 ASL is investment holding. The ASL Group is principally engaged in property investment, property leasing and estate management in Hong Kong.

(2) 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. As at the date of this joint announcement, TACI is owned as to (i) approximately 52.08% by AGL, which in turn is beneficially owned as to approximately 74.99% by Lee and Lee Trust (inclusive of Mr. Lee Seng Hui's personal interests), being a discretionary trust; (ii) approximately 18.03% by PIA Ltd (held as investment manager); (iii) approximately 9.74% by Ms. Chong; and (iv) approximately 7.01% by Mr. Chan Kin.

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.

(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. As at the date of this joint announcement, AGL is beneficially owned as to approximately 74.99% by Lee and Lee Trust (inclusive of Mr. Lee Seng Hui's personal interests), being a discretionary trust.

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, investments in listed and unlisted securities and funds management.

(4) Ms. Chong

Ms. Chong is an individual and a merchant.

(5) Nice Zone

Nice Zone is a company incorporated in BVI with limited liability and beneficially owned as to 50% by Mr. Lam Shan and 50% by Ms. Lam Mei Yan Joyce.

The principal business activity of Nice Zone is investment holding.

(6) BH Management

BH Management is a company incorporated in Hong Kong with limited liability and beneficially wholly-owned by Mr. Lau Yau Cheung.

The principal business activity of BH Management is investment holding.

(7) Claude Associates

Claude Associates is a company incorporated in BVI with limited liability and wholly-owned by Mr. SC Wong.

The principal business activity of Claude Associates is investment holding.

(8) Mr. SC Wong

Mr. SC Wong is an individual and a merchant.

(9) Target Company A

Target Company A is a company incorporated in Hong Kong with limited liability and as at the date of this joint announcement, wholly-owned by Claude Associates which in turn is wholly-owned by Mr. SC Wong.

The principal business activity of Target Company A is property investment and provision of estate agency services.

(10) Vendor B

Vendor B is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of ASL.

The principal business activity of Vendor B is investment holding.

(11) Vendor C

Vendor C is a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of ASL.

The principal business activity of Vendor C is investment holding.

(12) Purchaser A

Purchaser A is a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of ASL.

The principal business activity of Purchaser A is investment holding.

(13) Purchaser B

Purchaser B is a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of TACI.

The principal business activity of Purchaser B is investment holding.

(14) Purchaser C

Purchaser C is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of AGL.

The principal business activity of Purchaser C is investment holding.

LISTING RULES IMPLICATIONS

ASL

As Purchaser A, Vendor B and Vendor C are direct or indirect wholly-owned subsidiaries (as the case may be) of ASL, the Transactions shall be transactions for ASL 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 one of the relevant Percentage Ratios in respect of Transaction A exceeds 100%, Transaction A constitutes a very substantial acquisition for ASL and is subject to the notification, announcement, circular and the ASL Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As more than one of the relevant Percentage Ratios in respect of Transaction B exceed 5% but are below 25%, Transaction B constitutes a discloseable transaction for ASL.

As one of the relevant Percentage Ratios in respect of Transaction C exceeds 25% but is below 75%, Transaction C constitutes a major disposal for ASL.

As one of the relevant Percentage Ratios in respect of Transaction B and Transaction C when aggregated with each other in accordance with Rule 14.22 of the Listing Rules exceeds 25% but is below 75%, Transaction B and Transaction C constitute major disposals for ASL. Furthermore, as at the date of this joint announcement, each of TACI and AGL is a substantial shareholder of ASL. Therefore, Purchaser B, being a direct wholly-owned subsidiary of TACI, and Purchaser C, being an indirect wholly-owned subsidiary of AGL, are connected persons of ASL under Chapter 14A of the Listing Rules and Transaction B and Transaction C constitute connected transactions for ASL. Accordingly, Transaction B and Transaction C are subject to the reporting, announcement, circular and Independent ASL Shareholders’ approval requirements under Chapters 14 and 14A of the Listing Rules.

The ASL IBC has been established to advise the Independent ASL Shareholders in respect of the terms of each of SPA B and SPA C and the transactions contemplated thereunder. ASL has appointed the ASL IFA to advise the ASL IBC and the Independent ASL Shareholders in relation to the fairness and reasonableness of Transaction B and Transaction C.

Messrs. Patrick Lee Seng Wei and Tao Tsan Sang are common directors of TACI and ASL, Mr. Edwin Lo King Yau is an executive director of each of AGL, TACI and ASL, and Ms. Lisa Yang Lai Sum is an independent non-executive director of each of AGL, TACI and ASL. Mr. Edwin Lo King Yau did not attend the relevant ASL Board meetings at which the Transactions were considered, and Mr. Patrick Lee Seng Wei, Mr. Tao Tsan Sang and Ms. Lisa Yang Lai Sum have abstained from voting on the relevant ASL Board resolutions in respect of the Transactions. In addition, Ms. Lisa Yang Lai Sum was not appointed as a member of the ASL IBC.

Apart from the above, none of the ASL Directors has any material interest in the Transactions and is required to abstain from voting on the ASL Board resolutions approving the Transactions.

TACI

As Purchaser A, Purchaser B and Vendor C are direct or indirect subsidiaries (as the case may be) of TACI, the Transactions shall be transactions for TACI 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 one of the relevant Percentage Ratios in respect of Transaction A exceeds 5% but is less than 25%, the acquisition under Transaction A constitutes a discloseable transaction for TACI and is subject to the notification and announcement requirements but exempt from TACI Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

As none of the relevant Percentage Ratios in respect of Transaction B exceeds 5%, Transaction B does not constitute a notifiable transaction for TACI under Chapter 14 of the Listing Rules.

As at the date of this joint announcement, AGL is a substantial shareholder of TACI and Purchaser C, being an indirect wholly-owned subsidiary of AGL, is a connected person of TACI under Chapter 14A of the Listing Rules. Accordingly, the disposal under Transaction C constitutes a connected transaction for TACI. As more than one of the relevant Percentage Ratios in respect of Transaction C exceed 0.1% but are less than 5%, the disposal under Transaction C is subject to the reporting and announcement requirements but exempt from independent TACI Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

As (i) Messrs. Patrick Lee Seng Wei and Tao Tsan Sang are common directors of TACI and ASL; (ii) Mr. Lee Seng Hui (being the chairman and a non-executive director of TACI) is the chief executive and an executive director of AGL and also one of the trustees of Lee and Lee Trust, being a discretionary trust which together with his personal interest, controls approximately 74.99% of the total number of issued shares of AGL, which in turn indirectly owns approximately 52.08% of the total number of issued shares of TACI, and TACI indirectly owns approximately 74.98% of ASL; (iii) Mr. Edwin Lo King Yau is an executive director of each of AGL, TACI and ASL; and (iv) Ms. Lisa Yang Lai Sum is an independent non-executive director of each of AGL, TACI and ASL, accordingly, Messrs. Lee Seng Hui, Patrick Lee Seng Wei, Edwin Lo King Yau, Tao Tsan Sang and Ms. Lisa Yang Lai Sum have abstained from voting on the relevant TACI Board resolutions in respect of the Transactions.

Apart from the above, none of the TACI Directors has any material interest in the Transactions and is required to abstain from voting on the TACI Board resolutions approving the Transactions.

AGL

As ASL, TACI and Purchaser C are all indirect subsidiaries of AGL, the acquisitions under the Transactions shall be transactions 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 each of Transaction B and Transaction C on a standalone basis exceeds 5%, each of Transaction B and Transaction C on a standalone basis does not constitute a notifiable transaction for AGL under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratios in respect of each of (i) Transaction A on a standalone basis; and (ii) Transaction B and Transaction C when aggregated with each other in accordance with Rule 14.22 of the Listing Rules, exceeds 5% but is less than 25%, the Transactions constitutes discloseable transactions for AGL and are subject to the notification and announcement requirements but exempt from AGL Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

GENERAL

ASL

The ASL EGM will be convened by ASL for (i) the ASL Shareholders to consider and, if thought fit, approve Transaction A; and (ii) the Independent ASL Shareholders to consider and, if thought fit, approve Transaction B and Transaction C.

To the best of the knowledge and belief of the ASL Directors having made all reasonable enquiries, save and except for TACI, AGL and their respective associates (as defined under the Listing Rules) who have a material interest in Transaction B and Transaction C and shall abstain from voting at the ASL EGM on the resolution(s) to approve Transaction B and Transaction C, no other ASL Shareholder has a material interest in the Transactions such that he or she or it shall abstain from voting at the ASL EGM on the resolution(s) to approve the Transactions.

As more time is required to collate certain information, the circular of ASL containing, among other things, (i) further information on the Transactions; (ii) a letter of advice from the ASL IFA to the ASL IBC and the Independent ASL Shareholders; (iii) a letter of recommendation from the ASL IBC to the Independent ASL Shareholders; (iv) the property valuation report of the Properties; and (v) a notice of the ASL EGM, is expected to be despatched to the ASL Shareholders on or before 14th April, 2023.

Completion of each of the Transactions are not inter-conditional upon each other. Each of the Transactions are subject to a number of conditions which may or may not be fulfilled and may or may not proceed. ASL Shareholders, TACI Shareholders, AGL Shareholders and potential investors of each of ASL, TACI and AGL should exercise caution when dealing in the shares of ASL, TACI and AGL respectively.

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 Announcements”	the announcements dated 24th September, 2018 and 9th November, 2018 respectively made by AGL, and the joint announcements dated 23rd January, 2019, 10th April, 2019 and 26th July, 2019 respectively made by AGL and Allied Properties (H.K.) Limited
“AGL Board”	the board of AGL Directors
“AGL Director(s)”	the director(s) of AGL
“AGL Group”	AGL and its subsidiaries
“AGL Share(s)”	the ordinary share(s) of AGL
“AGL Shareholder(s)”	the shareholder(s) of AGL
“ASL”	Asiasec Properties 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: 271), being an indirect non wholly-owned subsidiary of TACI
“ASL Announcements”	the announcements dated 26th November, 2021 and 22nd November, 2022 made by ASL
“ASL Board”	the board of ASL Directors
“ASL Director(s)”	the director(s) of ASL
“ASL EGM”	an extraordinary general meeting to be convened by ASL for (i) the ASL Shareholders to consider and, if thought fit, approve Transaction A; and (ii) the Independent ASL Shareholders to consider and, if thought fit, approve Transaction B and Transaction C
“ASL Group”	ASL and its subsidiaries
“ASL IBC”	an independent committee of the ASL Board (comprising Messrs. Li Chak Hung and Choi Kin Man, being the remaining independent non-executive directors of ASL excluding Ms. Lisa Yang Lai Sum) established for the purpose of advising the Independent ASL Shareholders in respect of Transaction B and Transaction C

“ASL IFA”	Pelican Financial Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the ASL IBC and the Independent ASL Shareholders in respect of Transaction B and Transaction C
“ASL Shareholder(s)”	the shareholder(s) of ASL
“BH Management”	BH Management Company Limited, a company incorporated in Hong Kong with limited liability
“BVI”	the British Virgin Islands
“Claude Associates”	Claude Associates Limited, a company incorporated in BVI with limited liability and wholly-owned by Mr. SC Wong
“connected persons”	having the meaning ascribed to it under the Listing Rules
“Consideration A”	the total consideration payable by Purchaser A to the Lenders in the amount of HK\$3 for the sale and purchase of Sale Shares A and the assignment of Sale Loan A
“Consideration B”	the total consideration payable by Purchaser B to Vendor B for Transaction B, being HK\$80,000,000
“Consideration C”	the total consideration payable by Purchaser C to Vendor C for Transaction C, being HK\$250,000,000
“CPO”	the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong)
“Deed of Assignment”	a deed of assignment dated 26th November, 2021 relating to Sale Loan A provided by Claude Associates as assignor in favour of a security agent acting for and on behalf of the Lenders, as security under the Facility Agreement
“Facility Agreement”	a facility agreement dated 26th November, 2021 entered into among, among others, the Lenders (as lender) and Target Company A (as borrower)
“Hero Bless”	Hero Bless Investments Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of Vendor C as at the date of this joint announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent ASL Shareholders”	the ASL Shareholder(s) (other than TACI, AGL and their respective associates as defined under the Listing Rules) who are not interested in Transaction B and Transaction C, and are not required under the Listing Rules to abstain from voting at the ASL EGM to approve the same
“Lenders”	Ms. Chong, Nice Zone and BH Management
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the secured loan in the total amount of HK\$1,000,000,000 to be made available by Purchaser A to Target Company A on the terms and subject to the conditions set out in the Loan Agreement
“Loan Agreement”	a loan agreement to be entered into between Purchaser A (as lender) and Target Company A (as borrower), pursuant to which Purchaser A shall provide the Loan to Target Company A, the indebtedness, liabilities and obligations of which are to be secured by, inter alia, a property mortgage over, an assignment of rental income and sale proceeds and an assignment of insurance in respect of Property A in favour of Purchaser A or its nominee, and the proceeds of the loan shall be remitted to the Lenders (or as they may direct)
“Long Stop Date A”	31st August, 2023 (or such other date as the Lenders and Purchaser A may mutually agree in writing)
“Long Stop Date B”	31st August, 2023 (or such other date as the Vendor B and Purchaser B may mutually agree in writing)
“Long Stop Date C”	31st August, 2023 (or such other date as the Vendor C and Purchaser C may mutually agree in writing)
“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, who owns the entire issued share capital of Claude Associates
“Ms. Chong”	Ms. Chong Sok Un

“Nice Zone”	Nice Zone Limited, a company incorporated in BVI with limited liability
“Novation Deed”	a novation deed to be entered into among Target Company A, the Lenders and Mr. SC Wong at completion of SPA A, pursuant to which the parties agree to a novation of Target Company A’s obligations, duties and liabilities as borrower under the Facility Agreement to Mr. SC Wong upon the terms and conditions therein
“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
“Previous Announcements”	comprises AGL Announcements, ASL Announcements and TACI Announcement
“Properties”	Property A, Property B and Property C
“Property A”	comprises 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, with a total gross floor area of 163,538 sq. ft.
“Property B”	comprises six individual residential units and/or mixed-use commercial properties in the PRC to be held by the subsidiaries of Target Company B upon completion of the Reorganisation, with a total gross floor area of 8,514 sq. ft.
“Property C”	comprises one office property, three residential properties and five car-parking spaces in Hong Kong held by the subsidiaries of Target Companies C, with a gross floor area of 13,851 sq. ft. for the office property and a total saleable area of 4,361 sq. ft. for the residential properties
“Purchaser A”	Cosmic Gold Holdings Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of ASL, being the purchaser of Sale Shares A under Transaction A

“Purchaser B”	Advance Growth Investments Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of TACI, being the purchaser of Sale Share B under Transaction B
“Purchaser C”	AP Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of AGL, being the purchaser of Sale Shares C under Transaction C
“Reorganisation”	the reorganisation of the Reorganisation Companies, as described in the section headed “Transaction B – The Reorganisation” in this joint announcement
“Reorganisation Companies”	comprises (i) Landfine Investment Limited; (ii) Man Lee Offshore Limited; (iii) New Wise Investment Limited; (iv) 深圳隆運諮詢服務有限公司 (Shenzhen Longyun Consulting Services Co. Ltd.*); (v) Novel Beauty Limited; (vi) Oriental Dragon Investment Limited; (vii) Shining East Holdings Limited; and (viii) Winshine Properties Limited, being companies wholly-owned by Vendor B as at the date of this joint announcement, and upon completion of the Reorganisation, be directly or indirectly wholly-owned by Target Company B (as the case may be)
“Sale Loan A”	the sum which Target Company A is presently indebted and may hereafter become indebted to Claude Associates which has been assigned to a security agent pursuant to the Deed of Assignment, and as at 31st October, 2022, was HK\$112,053,167.10
“Sale Loan B”	the sum which Target Company B may hereafter become indebted to Vendor B upon completion of the Reorganisation, and on the assumption that the Reorganisation had taken place on 1st January, 2020 and 1st January, 2021, as at 30th November, 2022, was HK\$68,070,154.37
“Sale Loans C”	comprise (i) the sum which Hero Bless is presently indebted and may hereafter become indebted to Vendor C and as at 30th November, 2022, was HK\$80,327,972.94; and (ii) the sum which Wisdom Giant is presently indebted and may hereafter become indebted to Vendor C and as at 30th November, 2022, was HK\$76,509,304.33

“Sale Share B”	one ordinary share in the share capital of Target Company B, representing the entire issued share capital of Target Company B
“Sale Shares A”	two ordinary shares of Target Company A, representing the total number of issued shares of Target Company A
“Sale Shares C”	comprises (i) one ordinary share in the share capital of Hero Bless (representing the entire issued share capital of Hero Bless); and (ii) one ordinary share in the share capital of Wisdom Giant (representing the entire issued share capital of Wisdom Giant)
“Share Mortgage”	a share mortgage dated 26th November, 2021 in respect of Sale Shares A provided by Claude Associates and Mr. SC Wong as mortgagors in favour of a security agent acting for and on behalf of the Lenders, as security under the Facility Agreement
“SPA A”	a sale and purchase agreement dated 27th February, 2023 entered into among Purchaser A, the Lenders, Claude Associates, Mr. SC Wong and Target Company A in relation to Transaction A
“SPA B”	a sale and purchase agreement dated 27th February, 2023 entered into between Purchaser B and Vendor B in relation to Transaction B
“SPA C”	a sale and purchase agreement dated 27th February, 2023 entered into between Purchaser C and Vendor C in relation to Transaction C
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TACI”	Tian An China Investments Company 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: 28), being an indirect non wholly-owned subsidiary of AGL
“TACI Announcement”	the announcement dated 14th April, 2020 made by TACI
“TACI Board”	the board of TACI Directors
“TACI Director(s)”	the director(s) of TACI

“TACI Group”	TACI and its subsidiaries
“TACI Share(s)”	the ordinary share(s) of TACI
“TACI Shareholder(s)”	the shareholder(s) of TACI
“Target Companies”	Target Company A, Target Company B and Target Companies C
“Target Companies C”	comprises Hero Bless and Wisdom Giant
“Target Company A”	Boost Investments Limited, a company incorporated in Hong Kong with limited liability, and wholly-owned by Claude Associates as at the date of this joint announcement
“Target Company B”	Spring Victory Holdings Limited, a company incorporated in BVI with limited liability, which is a direct wholly-owned subsidiary of Vendor B as at the date of this joint announcement
“Total Payment”	HK\$1,000,000,003, being the total payment payable by Purchaser A to the Lenders for Transaction A, comprising Consideration A and the Loan
“Transaction A”	comprises (i) the acquisition of Sale Shares A by Purchaser A from the Lenders, as mortgagees in possession; (ii) the assignment of Sale Loan A by the Lenders, as mortgagees in possession, to Purchaser A; and (iii) the provision of the Loan by Purchaser A to Target Company A at completion, pursuant to SPA A
“Transaction B”	the acquisition of Sale Share B by Purchaser B from Vendor B and the assignment of Sale Loan B pursuant to SPA B
“Transaction C”	the acquisition of Sale Shares C by Purchaser C from Vendor C and the assignment of Sale Loans C pursuant to SPA C
“Transactions”	Transaction A, Transaction B and Transaction C
“Vendor B”	Dan Form (China) Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of ASL, being the vendor of Sale Share B under Transaction B

“Vendor C”	Simply Global Enterprises Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of ASL, being the vendor of Sale Shares C under Transaction C
“Wisdom Giant”	Wisdom Giant Holdings Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of Vendor C as at the date of this joint announcement
“%”	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

On behalf of the ASL Board
Asiasec Properties Limited
Lee Shu Yin
Executive Director and Chief Executive

Hong Kong, 27th February, 2023

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.

As at the date of this joint announcement, the ASL Board comprises Mr. Patrick Lee Seng Wei (Chairman), Mr. Lee Shu Yin (Chief Executive), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; and Mr. Li Chak Hung, Mr. Choi Kin Man 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.*