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ALLIED GROUP LIMITED

(聯合集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 373)

ANNOUNCEMENT PURSUANT TO RULE 14.36 OF THE LISTING RULES

References are made to the Announcements in relation to the AP Diamond Loan and the announcement of Allied Group Limited (the “**Company**”) dated 23rd June, 2023 (the “**2023 Announcement**”) in relation to the new securities obtained for the AP Diamond Loan. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the 2023 Announcement.

RELEASE OF CERTAIN SECURITIES FOR THE AP DIAMOND LOAN

On 5th July, 2023, AP Diamond executed the relevant deeds of release for the full discharge and/or release of the respective security interests constituted under the Second Mortgage (Boost), the Second Debenture (Boost) and the Second Share Mortgage (Boost) (the “**Release**”).

Following the Release, the existing securities of the AP Diamond Loan comprise (i) the Debenture; (ii) the Guarantee; (iii) a personal guarantee by Mr. SC Wong; and (iv) the First Share Mortgage (Claude).

REASONS FOR AND BENEFITS OF THE RELEASE

Reference is made to a mortgagee sale of the entire issued shares of Boost by the first mortgagees pursuant to a sale and purchase agreement dated 27th February, 2023 (the “**SPA**”), details of which were disclosed in a joint announcement dated 27th February, 2023 published by, among others, the Company. It is agreed by the parties to the SPA that at completion of the transactions contemplated thereunder, all existing encumbrances over the entire issued shares of Boost and its assets shall be discharged or released, which include the Second Mortgage (Boost), the Second Debenture (Boost) and the Second Share Mortgage (Boost).

Having considered the recent new securities obtained for the AP Diamond Loan offer extra safeguards to the Group, as well as the further assurances provided by the Undertaking Parties to the Group in the Letter of Agreements, the Directors are of the view that the existing securities of the AP Diamond Loan after the Release offer a reasonable protection to the Group under the AP Diamond Loan, and accordingly, consider the Release is fair and reasonable, and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the Release constitutes a variation to the terms of the transaction previously announced under the Announcements and the 2023 Announcement.

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

Hong Kong, 5th July, 2023

As at the date of this announcement, the Board comprises Messrs. Lee Seng Hui (Chief Executive), Edwin Lo King Yau and Mak Pak Hung being the Executive Directors; Mr. Arthur George Dew (Chairman), Mr. Akihiro Nagahara (Vice Chairman) and Ms. Lee Su Hwei being the Non-Executive Directors; and Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Lisa Yang Lai Sum and Mr. Kelvin Chau Kwok Wing being the Independent Non-Executive Directors.