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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)**

**Discloseable Transaction**



**ALLIED PROPERTIES (H.K.) LIMITED**  
**(聯合地產(香港)有限公司)**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 56)**

**Discloseable Transaction**

**JOINT ANNOUNCEMENT**

**LOAN TRANSACTION**

Reference is made to AGL's announcement dated 23rd January, 2013 in relation to the loan transaction between the Lender, an indirect wholly-owned subsidiary of APL, and the Borrower.

As advised and confirmed by APL, on 20th November, 2012 and 23rd January, 2013, the Lender entered into the Loan Agreements with the Borrower respectively, pursuant to which, among other things, the Lender has made available to the Borrower the Existing Facility for the purpose of funding the Borrower's acceleration of exploration expenditure at existing operations and projects of the Borrower or for the Borrower's general corporate purposes.

As advised and confirmed by APL, on 18th February, 2013, the Lender entered into the Further Loan Agreement with the Borrower, pursuant to which, among other things, the Lender has made available to the Borrower the Loan Facility for the same purposes as the Existing Facility.

As the Lender is an indirect wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of AGL, the Transaction entered into by the Lender shall also be deemed a transaction for each of APL and AGL under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction, on a stand alone basis, does not constitute a discloseable transaction for each of AGL and APL on the basis that none of the Percentage Ratio(s) exceeds 5%. The Transaction, when aggregated with the Prior Transactions in accordance with the Listing Rules, constitutes a discloseable transaction for each of AGL and APL on the basis that the relevant Percentage Ratio(s) exceeds 5% but is below 25%.

## **INTRODUCTION**

Reference is made to AGL’s announcement dated 23rd January, 2013 in relation to the loan transaction between the Lender, an indirect wholly-owned subsidiary of APL, and the Borrower.

As advised and confirmed by APL, on 20th November, 2012 and 23rd January, 2013, the Lender entered into the Loan Agreements with the Borrower respectively, pursuant to which, among other things, the Lender has made available to the Borrower the Existing Facility for the purpose of funding the Borrower’s acceleration of exploration expenditure at existing operations and projects of the Borrower or for the Borrower’s general corporate purposes.

As advised and confirmed by APL, on 18th February, 2013, the Lender entered into the Further Loan Agreement with the Borrower, pursuant to which, among other things, the Lender has made available to the Borrower the Loan Facility for the same purposes as the Existing Facility.

## **THE FURTHER LOAN AGREEMENT**

Date: 18th February, 2013

Parties: (1) the Lender; and

(2) the Borrower

As at the date of this joint announcement, as advised and confirmed by APL, having made all reasonable enquiries and to the best of its knowledge and belief and relied on the confirmation of the Borrower, and so far as the AGL Directors and APL Directors are aware, there exists only the following relationships (the “Disclosed Relationships”) between (i) the Borrower and its ultimate beneficial owner(s); and (ii) AGL, APL and their ultimate beneficial owner(s), namely that:

1. Mr. Lee Seng Hui, chief executive and executive director of both AGL and APL, and Ms. Lee Su Hwei, non-executive director of AGL, are two of the trustees of Lee and Lee Trust;

2. Lee and Lee Trust, together with Mr. Lee Seng Hui's personal interest, is beneficially interested in approximately 65.01% of the total issued share capital of AGL;
3. AGL is beneficially interested in approximately 74.97% of the total issued share capital of APL;
4. APL is beneficially interested in approximately 23.50% of the total issued share capital of the Borrower;
5. Mr. Lee Seng Hui is a non-executive director of the Borrower, who was appointed by the board of directors of the Borrower; and
6. Mr. Arthur George Dew, chairman and non-executive director of both AGL and APL, is also a director and non-executive chairman of the Borrower, who was appointed by the board of directors of the Borrower. Mr. Mark Wong Tai Chun, executive director of APL and director of Lender, is also an alternate director of the Borrower to Mr. Arthur George Dew.

Based on the information and confirmation provided by APL, which has made all reasonable enquiry and relied on the confirmation of the Borrower and to the best of the knowledge, information and belief of the AGL Directors and the APL Directors, having made all reasonable enquiries, other than the Disclosed Relationships, the Borrower and their ultimate beneficial owner(s) are third parties independent of AGL, APL and their respective connected persons.

Having considered the Disclosed Relationships and the confirmations of the Borrower, both the AGL Directors and APL Directors are of the opinion that:

1. the grant of the Loan Facility pursuant to the Further Loan Agreement is not a connected transaction of AGL and APL pursuant to Chapter 14A of the Listing Rules; and
2. the independence of the Borrower in entering into the Further Loan Agreement is not impeded by the Disclosed Relationships as (i) Mr. Lee Seng Hui had abstained from voting on the board resolutions of the Borrower with respect to the Further Loan Agreement; (ii) Mr. Lee Seng Hui and Mr. Arthur George Dew were appointed by the board of directors of the Borrower as directors of the Borrower; and (iii) Lee and Lee Trust, AGL and APL cannot control the composition of all or the majority of the board of directors of the Borrower.

In view of the Disclosed Relationships, Mr. Lee Seng Hui and Mr. Arthur George Dew have also abstained from voting on the board resolutions of AGL and APL where appropriate in respect of this joint announcement and Ms. Lee Su Hwei has also abstained from voting on the board resolutions of AGL in respect of this joint announcement.

## Principal terms of the Further Loan Agreement

As advised and confirmed by APL and pursuant to the Further Loan Agreement, the principal terms of the Further Loan Agreement are as follows:

Facility: An unsecured revolving cash advance facility in the amount not exceeding HK\$52,200,000.

Purpose: Accelerating exploration expenditure at the existing operations and projects of the Borrower or for the Borrower's general corporate purposes.

Interest: At the rate of 6% per annum.

Facility fees: 1. Facility fees

If the Borrower makes a drawdown of the Loan Facility, the Borrower must pay to the Lender:

- (a) a non-refundable facility fee for each month applicable to each Advance at the rate of 9% per annum of that Advance;
- (b) a pro-rated facility fee for each month applicable to each Advance at the rate of 6% per annum of that Advance, which facility fee shall be refundable in accordance with item 3 below; and
- (c) any outstanding facility fees that are due and payable by the Borrower to the Lender as at the Funding Date applicable to each Advance.

2. Payment of facility fees

The facility fees referred to in item 1 shall be paid on the first day of each month in advance and, for the initial month of a new Advance, by deducting those fees from that Advance on its Funding Date but the fees deducted shall be deemed to be part of that Advance drawn by the Borrower.

### 3. Refund of facility fees

If the Borrower repays or prepays any part of the Loan Facility drawn prior to the repayment date, the Lender must within three business days refund to the Borrower in cash by an amount equal to 6% per annum of the amount repaid or prepaid calculated daily for the number of days from and including the date of repayment or prepayment to the last day of the month in which the repayment or prepayment was made.

Repayment date: 30th June, 2014 or such other dates as may be agreed by the Lender and the Borrower

As advised and confirmed by APL, the interest rate and the facility fees charged by the Lender on the Loan Facility, have been arrived at after arm's length negotiations between the Lender and the Borrower having regard to the cost of providing the Loan Facility to the Borrower and the terms of the Further Loan Agreement.

### **PRIOR TRANSACTIONS**

As advised and confirmed by APL, on 20th November, 2012 and 23rd January, 2013, the Lender, an indirect wholly-owned subsidiary of APL, entered into the Loan Agreements with the Borrower respectively, pursuant to which, among other things, the Lender has made available to the Borrower the Existing Facility for the purpose of funding the Borrower's acceleration of exploration expenditure at existing operations and projects of the Borrower or for the Borrower's general corporate purposes.

As advised and confirmed by APL, the Transaction and the Prior Transactions were entered into between the same parties. The AGL Directors and APL Directors consider that the Transaction and the Prior Transactions should be aggregated for the purpose of Chapter 14 of the Listing Rules pursuant to 14.22 of the Listing Rules.

### **REASONS FOR AND BENEFITS OF THE TRANSACTION**

As advised and confirmed by APL, the terms of the Further Loan Agreement were arrived at after arm's length negotiations between the Lender and the Borrower. The Lender is a licensed money lender and is principally engaged in the business of money lending services. The total income generated from the grant of the Loan Facility, in the form of facility fees and interest, is at an aggregate rate of 21% per annum on the amount of the total Advance under the Loan Facility (assuming that the Borrower does not make early repayment), which is fair and reasonable in light of the current market norms in relation to similar transactions and the costs incurred in providing the Loan Facility to the Borrower. In view of the fact that the Further Loan Agreement was entered into as part of the ordinary and usual course of business activities of the Lender and will generate reasonable income to the Lender, the APL Directors considers that the grant of the Loan Facility and the terms of the Further Loan Agreement are fair and reasonable and on normal commercial terms and the Transaction is in the interests of APL and its shareholders taken as a whole, and have confirmed the same to AGL.

Based on the information and the confirmation provided by APL, the AGL Directors have accepted the confirmation by APL and therefore concur with the view of the APL Directors and consider that the grant of the Loan Facility and the terms of the Further Loan Agreement are fair and reasonable and the Transaction is in the interests of AGL and its shareholders taken as a whole.

## **INFORMATION ABOUT AGL, APL, THE LENDER AND THE BORROWER**

### **AGL**

AGL is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange.

The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, the provision of financial services, the provision of elderly care services, medical and aesthetic equipment distribution and investments in listed and unlisted securities.

### **APL**

APL is a company incorporated in Hong Kong with limited liability, the securities of which are listed on the main board of the Stock Exchange.

The principal business activity of APL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, the provision of financial services, the provision of elderly care services, medical and aesthetic equipment distribution and investments in listed and unlisted securities.

As at the date of this joint announcement, AGL is beneficially interested in approximately 74.97% of the total issued share capital of APL.

### **The Lender**

As advised and confirmed by APL, the Lender is a company incorporated in Hong Kong with limited liability.

The Lender is a registered money lender holding a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services.

As at the date of this joint announcement, the Lender is an indirect wholly-owned subsidiary of APL.

### **The Borrower**

As advised and confirmed by APL, which has made all reasonable enquiry and relied on the confirmation of the Borrower, the Borrower is a company domiciled in Australia, the securities of which are listed on the Australian Securities Exchange. The principal business activities of the Borrower are gold mining operations and mineral exploration.

## LISTING RULES IMPLICATIONS

As the Lender is an indirect wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of AGL, the Transaction entered into by the Lender shall also be deemed a transaction for each of AGL and APL under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction, on a stand alone basis, does not constitute a discloseable transaction for each of AGL and APL on the basis that none of the Percentage Ratio(s) exceeds 5%. The Transaction, when aggregated with the Prior Transactions in accordance with the Listing Rules, constitutes a discloseable transaction for each of AGL and APL on the basis that the relevant Percentage Ratio(s) exceeds 5% but is below 25%.

## DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Advance”	the principal amount of the Loan Facility to be made available by the Lender to the Borrower under each drawing pursuant to the terms and conditions of the Further Loan Agreement;
“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;
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 56 and Warrant Code: 1183) and a non wholly-owned subsidiary of AGL;
“APL Board”	the board of APL Directors;
“APL Directors”	the directors of APL;
“Borrower”	the borrower under the Loan Agreements and the Further Loan Agreement;
“connected persons”	having the meaning as ascribed to it under the Listing Rules;
“Existing Facility”	the aggregate amount of HK\$410,700,000 comprising the Initial Facility and the facility under the New Loan Agreement;

“Funding Date”	The date on which an Advance is, or is to be, provided to the Borrower under the Further Loan Agreement;
“Further Loan Agreement”	the loan agreement dated 18th February, 2013 entered into between the Lender and the Borrower;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Initial Facility”	HK\$360,700,000 of which HK\$280,700,000 is revolving facility granted by the Lender to the Borrower pursuant to the terms and conditions of the loan agreement dated 20th November, 2012;
“Lender”	AP Finance Limited, a company incorporated in Hong Kong with limited liability, a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and an indirect wholly-owned subsidiary of APL;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Agreements”	the loan agreements dated 20th November, 2012 and 23rd January, 2013 respectively, entered into between the Lender and the Borrower;
“Loan Facility”	an unsecured revolving cash advance facility in the amount not exceeding HK\$52,200,000 granted by the Lender to the Borrower pursuant to the terms and conditions of the Further Loan Agreement;
“New Loan Agreement”	the loan agreement dated 23rd January, 2013 entered into between the Lender and the Borrower in respect of the granting of a revolving cash advance facility in the amount of HK\$50,000,000 by the Lender to the Borrower;
“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;
“Prior Transactions”	the transactions contemplated under the Loan Agreements being the prior loan transactions between the Lender and the Borrower respectively which is subject to aggregation with the Transaction for determining the Percentage Ratio(s);



“Stock Exchange”                      The Stock Exchange of Hong Kong Limited;

“Transaction”                         the transaction contemplated under the Further Loan Agreement; and

“%”                                         per cent.

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

On behalf of the APL Board  
**Allied Properties (H.K.) Limited**  
**Li Chi Kong**  
*Executive Director*

Hong Kong, 18th February, 2013

*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 Messrs. Wong Po Yan, David Craig Bartlett and Alan Stephen Jones being the Independent Non-Executive Directors.*

*As at the date of this joint announcement, the APL Board comprises Messrs. Lee Seng Hui (Chief Executive), Li Chi Kong and Mark Wong Tai Chun being the Executive Directors; Mr. Arthur George Dew (Chairman) being the Non-Executive Director; and Messrs. Steven Samuel Zoellner, Alan Stephen Jones and David Craig Bartlett being the Independent Non-Executive Directors.*