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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

As advised and confirmed by APL, on 16th October, 2009, the Lender, an indirect wholly-owned subsidiary of APL, entered into the Loan Agreement with the Borrower, pursuant to which, the Lender agreed to make available to the Borrower the Loan Facility for the purposes of (i) repaying all previous loans owed by the Borrower to the Lender; and (ii) funding the working capital requirements or general corporate purposes of the Borrower.

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 of 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. Pursuant to Rule 14.06(2) of the Listing Rules, the Transaction constitutes a discloseable transaction for each of APL and AGL on the basis that the relevant Percentage Ratio(s) for each of APL and AGL exceeds 5% but is below 25%.

THE LOAN AGREEMENT

Date: 16th October, 2009

Parties: (1) the Lender
(2) the Borrower

As at the date of this announcement, 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. one of the directors of AGL (the “Relevant Director”), being one of the trustees of Lee and Lee Trust, is also a non-executive director of the Borrower;
2. Lee and Lee Trust, together with the Relevant Director’s personal interest, is beneficially interested in approximately 44.54% of the total issued share capital of AGL;

3. AGL is beneficially interested in approximately 74.36% of the total issued share capital of APL; and
4. APL is deemed to be beneficially interested in approximately 25.14% of the total issued share capital of the Borrower.

To the best of the knowledge, information and belief of the AGL Directors and APL Directors having made all reasonable enquiry, the Borrower and its ultimate beneficial owner(s) are third parties independent of AGL and APL and their respective connected persons.

Having considered the Disclosed Relationships, the AGL Directors and APL Directors are of the view that:

1. the Transaction is not a connected transaction of AGL and APL respectively pursuant to Chapter 14A of the Listing Rules; and
2. the independency of the Borrower in entering into of the Loan Agreement is not impeded by the Disclosed Relationships as (i) the Relevant Director had abstained from voting on the board resolutions of the Borrower with respect to the Transaction; and (ii) Lee and Lee Trust, AGL and APL cannot control the composition of all or majority of the board of directors of the Borrower.

Principal terms of the Loan Agreement

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

- Loan Facility: a revolving cash advance facility in the amount of HK\$75,000,000 or an equivalent amount in Australian Dollars
- Purposes: the Loan Facility shall be used for the purposes of (i) repaying all previous loans owed by the Borrower to the Lender; and (ii) funding the working capital requirements or general corporate purposes of the Borrower
- Interest: at the Interest Rate payable every 3 months
- Facility fee: a one-off facility fee shall be paid by the Borrower to the Lender, which shall be deducted from the first advance at the first drawdown
- Repayment date: 31st December, 2010 or such other date as may be agreed between the Lender and the Borrower

As advised and confirmed by APL, the Interest Rate and the facility fee charged by the Lender on the Loan Facility are arrived at on normal commercial terms with reference to the interest rate and facility fee charged by the Lender to other customers who are independent third parties.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by APL, which has made all reasonable enquiry and relied on the confirmation of the Lender, the terms of the Loan Agreement were arrived at after arm's length negotiations between the Lender and the Borrower. The Lender is a licensed money lender and its principal activity is money lending services. In view of the fact that the Transaction is carried out as part of the ordinary and usual course of business activities of the Lender and will provide interest income to the Lender, the APL Directors consider that the Transaction is on normal commercial terms and the terms of the Loan Agreement are fair and reasonable, and the Transaction is in the interests of APL and its shareholders taken as a whole.

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 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, health administration, medical scheme administration, the provision of healthcare services, the provision of financial services, and investments in listed and unlisted securities.

APL

APL 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 APL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, health administration, medical scheme administration, the provision of healthcare services and the provision of financial services.

As at the date of this announcement, APL is beneficially owned as to approximately 74.36% by AGL.

The Lender

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 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 of 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. Pursuant to Rule 14.06(2) of the Listing Rules, the Transaction constitutes a discloseable transaction for each of APL and AGL on the basis that the relevant Percentage Ratio(s) for each of APL and AGL exceeds 5% but is below 25%.

DEFINITIONS

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

“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;
“AGL Directors”	directors of AGL;
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and a non wholly-owned subsidiary of AGL;
“APL Directors”	directors of APL;
“Australian Dollars”	Australian dollars, the lawful currency of Australia;
“Borrower”	the borrower under the Loan Agreement;
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Interest Rate”	the rate of interest to be charged under the Loan Agreement;
“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 of Hong Kong Limited;
“Loan Agreement”	the loan agreement dated 16th October, 2009 entered into between the Lender and the Borrower relating to the granting of the Loan Facility;
“Loan Facility”	the revolving cash advance facility in the amount of HK\$75,000,000 or an equivalent amount in Australian Dollars granted by the Lender to the Borrower pursuant to the terms and conditions of the Loan Agreement;
“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;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction of granting of the Loan Facility as contemplated under the Loan Agreement; and
“%”	per cent.

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

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

Hong Kong, 19th October, 2009

As at the date of this announcement, the AGL Directors are:

Executive Directors:

Messrs. Lee Seng Hui (Chief Executive), Edwin Lo King Yau and Mak Pak Hung

Non-Executive Directors:

Mr. Arthur George Dew (Chairman) and Ms. Lee Su Hwei

Independent Non-Executive Directors:

Messrs. Wong Po Yan, David Craig Bartlett, John Douglas Mackie and Alan Stephen Jones

As at the date of this announcement, the APL Directors are:

Executive Directors:

Messrs. Patrick Lee Seng Wei (Chief Executive) and Li Chi Kong

Non-Executive Directors:

Messrs. Arthur George Dew (Chairman), Henry Lai Hin Wing and Steven Lee Siu Chung

Independent Non-Executive Directors:

Messrs. John Douglas Mackie, Steven Samuel Zoellner and Alan Stephen Jones