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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)



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

Discloseable Transaction

JOINT ANNOUNCEMENT

LOAN TRANSACTION

References are made to AGL's announcements dated 10th November, 2011, 2nd February, 2012 and 29th May, 2012, and AGL's joint announcements with APL dated 15th December, 2011 and 14th February, 2012 in relation to the Prior Transactions between the Lender, an indirect wholly-owned subsidiary of APL, and the Borrower.

As advised and confirmed by APL, the Lender has made available loan facilities to the Borrower pursuant to the Prior Agreements for the purposes of funding the Borrower's plant upgrade and acceleration of exploration expenditure at the existing operations and projects of the Borrower or for the Borrower's general corporate purposes.

As advised and confirmed by APL, on 29th May, 2012, the Lender entered into the New Loan Agreement with the Borrower, pursuant to which, among other things, the Lender has made available to the Borrower loan facilities for the purpose of funding the Borrower's acceleration of exploration expenditure at the existing operations and projects of the Borrower or for the Borrower's general corporate purposes. The loan facilities granted under the New Loan Agreement comprises (i) the aggregate outstanding balance of the then existing facilities granted under the Prior Agreements and (ii) the additional amount of the loan facilities granted under the New Loan Agreement.

As advised and confirmed by APL, on 20th November, 2012, the Lender entered into the Second New Loan Agreement with the Borrower, pursuant to which, among other things, the Lender agreed to make available to the Borrower the Facility for the purpose of funding the Borrower's acceleration of exploration expenditure at the existing operations and projects of the Borrower or for the Borrower's general corporate purposes. The Facility comprises the New Facility and the amount of the Existing Advance. Upon the Effective Date, the terms of the New Loan Agreement will no longer apply to the Existing Advance and are replaced by the terms of the Second New Loan Agreement.

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.

The Transaction, on a stand alone basis, does not constitute a discloseable transaction for each of AGL or 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) exceed(s) 5% but are below 25%.

References are made to AGL’s announcements dated 10th November, 2011, 2nd February, 2012 and 29th May 2012, and AGL’s joint announcements with APL dated 15th December, 2011 and 14th February, 2012 in relation to the Prior Transactions between the Lender, an indirect wholly-owned subsidiary of APL, and the Borrower.

As advised and confirmed by APL, on 20th November, 2012, the Lender entered into the Second New Loan Agreement with the Borrower, pursuant to which, among other things, the Lender agreed to make available to the Borrower the Facility for the purpose of funding the Borrower’s acceleration of exploration expenditure at the existing operations and projects of the Borrower or for the Borrower’s general corporate purposes.

THE SECOND NEW LOAN AGREEMENT

Date: 20th November, 2012

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

As at the date of this joint announcement, as advised and confirmed by APL and to the best of its knowledge and belief, which has made all reasonable enquiries and relied on written confirmation from the Borrower, and so far as the AGL Directors and the 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 64.98% 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; and

5. Mr. Lee Seng Hui is a non-executive director of the Borrower, and 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. Mr. Mark Wong Tai Chun, executive director of APL and director of the Lender, is also an alternate director of the Borrower to Mr. Arthur George Dew.

Based on the information and confirmation provided by APL, 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 and APL and their respective connected persons.

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

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

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

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| Facility: | A cash advance facility in the total amount of HK\$360,700,000, which comprises the amount of the Existing Advance (HK\$280,700,000) and the New Facility (HK\$80,000,000) of which HK\$280,700,000 is revolving facility. |
| 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 fee:

1. Facility fee
 - (a) If the Borrower makes a drawdown of the Facility, the Borrower must pay to the Lender:
 - i. a non-refundable facility fee for each month applicable to each Advance at the rate of 9% per annum of that Advance;
 - ii. 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
 - iii. any outstanding facility fees that are due and payable by the Borrower to the Lender as at the Funding Date applicable to each Advance.
 - (b) In respect of the Existing Advance only:
 - i. the Lender shall retain the facility fees paid by the Borrower under the New Loan Agreement for the months of September, October and November 2012;
 - ii. for the months of September, October and November 2012, no facility fees under paragraph (a) above are payable; and
 - iii. after the month of November 2012, the Borrower shall pay the facility fees under paragraph (a) above, which shall be payable on the amount of the Existing Advance as the same as an Advance under the Second New Loan Agreement.
2. Payment of facility fees
 - (a) The facility fees referred to in items 1(a)(i) and 1(a)(ii) 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; and
 - (b) The facility fees referred to in item 1(a)(iii) shall be deducted by the Lender from the relevant 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 pro-rated facility fees

If the Borrower repays or prepays any part of the Facility drawn prior to the repayment date, the Lender must immediately 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.

Equity capital raising: The Borrower must apply the HK\$ equivalent of the first A\$10,000,000 of any net proceeds received by it from the first equity capital raising conducted by it after the date of the Second New Loan Agreement to prepay each Advance drawn by it after the date of the Second New Loan Agreement.

Repayment date: 30th June, 2014

Effective date of the Second New Loan Agreement: 5:00 p.m. on 20th November, 2012

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

Replacement of the terms of the Existing Advance

As advised and confirmed by APL, the Existing Advance is currently governed by the terms of the New Loan Agreement and has a repayment date of 30th June, 2014. Upon the Second New Loan Agreement become effective on the Effective Date, the terms of the New Loan Agreement will no longer apply to the Existing Advance and are replaced by the terms of the Second New Loan Agreement. The Existing Advance shall constitute an Advance under the Second New Loan Agreement and is deemed to have a Funding Date of 1st September, 2012.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by APL, which has made all reasonable enquiries, the terms of the Second New 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 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 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 Facility to the Borrower. In view of the fact that the Second New 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 consider that the grant of the Facility and the terms of the Second New 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 and to the best knowledge, information and belief of the AGL Directors, the AGL Directors consider that the grant of the Facility and the terms of the Second New 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 and medical and aesthetic equipment distribution.

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

The Lender is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of APL.

The Lender is a registered money lender holding a money lender's 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.

The Borrower

As advised and confirmed by APL, which has made all reasonable enquiries 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.

PRIOR TRANSACTIONS

As advised and confirmed by APL, the Lender has made available to the Borrower loan facilities pursuant to the New Loan Agreement for the purpose of funding the Borrower's acceleration of exploration expenditure at the existing operations and projects of the Borrower or for the Borrower's general corporate purposes, which, together with the Prior Agreements, constitute the Prior Transactions.

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 Prior Transactions and the Transaction should be aggregated for the purpose of Chapter 14 of the Listing Rules, pursuant to Rule 14.22 of the Listing Rules.

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.

The Transaction, on a stand alone basis, does not constitute a discloseable transaction for each of AGL or 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 AGL and APL on the basis that the relevant percentage ratio(s) exceed(s) 5% but are below 25%.

DEFINITIONS

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

"A\$"	Australian dollars, the lawful currency of the Commonwealth of Australia;
"Advance"	the principal amount of the Facility advanced to the Borrower under each drawing pursuant to the terms and conditions of the Second New 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"	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”	directors of APL;
“Borrower”	the borrower under the Second New Loan Agreement, the New Loan Agreement and the Prior Agreements;
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“Effective Date”	5:00 p.m. on 20th November, 2012, the date on which the terms of the Second New Loan Agreement will become effective;
“Existing Advance”	the aggregate outstanding balance of the existing facilities granted under the New Loan Agreement, which is HK\$280,700,000 as at the date of the Second New Loan Agreement;
“Facility”	the cash advance facility in the amount of 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 Second New Loan Agreement, which comprises the Existing Advance and the New Facility;
“Funding Date”	The date on which an Advance is, or is to be, provided to the Borrower under the Second New Loan Agreement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“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;
“New Facility”	the new loan facility in the amount of HK\$80,000,000 granted to the Borrower under the Second New Loan Agreement;
“New Loan Agreement”	The loan agreement dated 29th May, 2012 entered into between the Lender and 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 Agreements”	the following prior agreements entered into between the Lender and the Borrower: (i) the loan agreement dated 13th December, 2010; (ii) the deed of variation dated 13th June, 2011; (iii) the second deed of variation dated 10th November, 2011; (iv) the third deed of variation dated 15th December, 2011; and (v) the fourth deed of variation dated 2nd February, 2012 (with the mortgagor being an additional party to it);
“Prior Transactions”	the transactions contemplated under the Prior Agreements and the New Loan Agreement, being prior loan transactions between the Lender and the Borrower under the Prior Agreements and the New Loan Agreement which are subject to aggregation with the Transaction for determining the percentage ratio(s);
“Second New Loan Agreement”	the loan agreement dated 20th November, 2012 entered into between the Lender and the Borrower;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction in relation to the grant of the New Facility contemplated in the Second New 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, 20th November, 2012

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.