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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**

**ANNOUNCEMENT**

**LOAN TRANSACTION**

References are made to AGL's announcement dated 10th November, 2011 and AGL's joint announcement with APL dated 15th December, 2011 in relation to loan transactions between the Lender, an indirect wholly-owned subsidiary of APL, and the Borrower.

As advised and confirmed by APL, the Prior Transactions include the transactions contemplated under the Loan Agreement, the Deed of Variation, the Second Deed of Variation and the Third Deed of Variation entered into between the Lender and the Borrower on 13th December, 2010, 13th June, 2011, 10th November, 2011 and 15th December, 2011 pursuant to which the Existing Facilities were granted by the Lender to the Borrower for the purposes of funding the Borrower's plant upgrade and to accelerate exploration expenditure at the existing operations and projects of the Borrower or for the Borrower's general corporate purposes. The Lender has also entered into the Security Document with the Mortgagor on 15th December, 2011 pursuant to which the Mortgagor granted security over the Mortgaged Shares to the Lender as security for the payment of debts and liabilities of the Borrower under the Loan Agreement, the Deed of Variation, the Second Deed of Variation and the Third Deed of Variation.

As advised and confirmed by APL, on 2nd February, 2012, the Lender entered into the Fourth Deed of Variation with the Borrower and the Mortgagor, pursuant to which, among other things, (i) the Lender agreed to make available to the Borrower the Loan Facility for the same purposes as the Prior Transactions; and (ii) the Mortgagor confirmed and ratified its obligations under the Security Document notwithstanding amendments made to the Loan Agreement in the Fourth Deed of Variation, so that the Loan Facility will be secured by the Mortgaged Shares.

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 constitutes a transaction of AGL under Rule 14.04(e) of the Listing Rules.

The Transaction, on a stand alone basis, does not constitute a discloseable transaction for AGL on the basis that none of the percentage ratios exceeds 5%. The Transaction, when aggregated with the Prior Transactions in accordance with the Listing Rules, constitutes a discloseable transaction for AGL on the basis that the relevant percentage ratio(s) exceed(s) 5% but is/are below 25%.

As advised and confirmed by APL, the Transaction, on a stand alone basis or when aggregated with the Prior Transactions, does not constitute a notifiable transaction for APL under the Listing Rules on the basis that none of the percentage ratios exceeds 5%.

References are made to AGL's announcement dated 10th November, 2011 and AGL's joint announcement with APL dated 15th December, 2011 in relation to loan transactions between the Lender, an indirect wholly-owned subsidiary of APL, and the Borrower.

As advised and confirmed by APL, on 2nd February, 2012, the Lender entered into the Fourth Deed of Variation with the Borrower and the Mortgagor, pursuant to which, among other things, (i) the Lender agreed to make available to the Borrower the Loan Facility for the same purposes as the Prior Transactions; and (ii) the Mortgagor confirmed and ratified its obligations under the Security Document notwithstanding amendments made to the Loan Agreement in the Fourth Deed of Variation, so that the Loan Facility will be secured by the Mortgaged Shares.

#### **THE FOURTH DEED OF VARIATION TO THE LOAN AGREEMENT**

**Date:** 2nd February, 2012

**Parties:**

- (1) the Lender
- (2) the Borrower
- (3) the Mortgagor

As at the date of this announcement, as advised and confirmed by APL, which has made all reasonable enquiries and relied on confirmation from the Borrower, and so far as the Directors are aware, there exists only the following relationships (the "Disclosed Relationships") between (i) the Borrower, the Mortgagor and their 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 the Mr. Lee Seng Hui's personal interest, is beneficially interested in approximately 57.43% of the total issued share capital of AGL;
3. AGL is beneficially interested in approximately 71.10% of the total issued share capital of APL;
4. APL is deemed to be beneficially interested in approximately 26.95% of the total issued share capital of the Borrower, which in turn holds the entire issued share capital of the Mortgagor; and

5. Mr. Lee Seng Hui is a non-executive director of the Borrower. 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, 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 Directors having made all reasonable enquiries, other than the Disclosed Relationships, the Mortgagor, the Borrower and their ultimate beneficial owner(s) are third parties independent of AGL and its connected persons.

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

1. the Transaction is not a connected transaction of AGL pursuant to Chapter 14A of the Listing Rules; and
2. the independency of the Borrower and the Mortgagor in entering into of the Fourth Deed of Variation 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 Transaction; 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 and the Mortgagor.

In view of the Disclosed Relationships, Mr. Lee Seng Hui, Mr. Arthur George Dew and Ms. Lee Su Hwei have also abstained from voting on the board resolutions of AGL with respect to this announcement.

### **Principal terms of the Fourth Deed of Variation**

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

Loan Facility: a secured cash advance facility in the total amount of HK\$33,000,000 comprising the Seventh Facility Amount (HK\$16,500,000), Eighth Facility Amount (HK\$8,250,000) and Ninth Facility Amount (HK\$8,250,000)

Purpose: funding the Borrower's plant upgrade and to accelerate 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. Seventh Facility Amount

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

- a. a non-refundable facility fee for the Relevant Period at the rate of 6% per annum of the Seventh Facility Amount;

- b. a pro rated facility fee for the Relevant Period at the rate of 6% per annum of the Seventh Facility Amount, with part of the amount refundable in accordance with item 5 below; and
- c. any outstanding facility fees in relation to the Existing Facilities that are due and payable by the Borrower to the Lender as at the date of the drawdown of the Seventh Facility Amount.

2. Eighth Facility Amount

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

- a. a non-refundable facility fee for the Relevant Period at the rate of 6% per annum of the Eighth Facility Amount;
- b. a pro rated facility fee for the Relevant Period at the rate of 6% per annum of the Eighth Facility Amount, with part of the amount refundable in accordance with item 5 below; and
- c. any outstanding facility fees in relation to the Existing Facilities and the Seventh Facility Amount that are due and payable by the Borrower to the Lender as at the date of the drawdown of the Eighth Facility Amount.

3. Ninth Facility Amount

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

- a. a non-refundable facility fee for the Relevant Period at the rate of 6% per annum of the Ninth Facility Amount;
- b. a pro rated facility fee for the Relevant Period at the rate of 6% per annum of the Ninth Facility Amount, with part of the amount refundable in accordance with item 5 below; and
- c. any outstanding facility fees in relation to the Existing Facilities, the Seventh Facility Amount and the Eighth Facility Amount, that are due and payable by the Borrower to the Lender as at the date of the drawdown of the Ninth Facility Amount.

4. Payment of facility fees

- a. Subject to items 4(b) – 4(d) (inclusive) below, the facility fees referred to in items 1(b), 2(b) and 3(b) above shall be paid in cash on or before the first date of each Quarter in advance.

- b. The facility fees referred to in item 1(a), the payment for the first Quarter in the Relevant Period referred to in item 1(b) and the facility fees referred to in item 1(c) shall be deducted from the first Advance relating to the Seventh Facility Amount in the Relevant Period.
  - c. The facility fees referred to in item 2(a), the payment for the first Quarter in the Relevant Period referred to in item 2(b) and the facility fees referred to in item 2(c) shall be deducted from the first Advance relating to the Eighth Facility Amount in the Relevant Period.
  - d. The facility fees referred to in item 3(a), the payment for the first Quarter in the Relevant Period referred to in item 3(b) and the facility fees referred to in item 3(c) shall be deducted from the first Advance relating to the Ninth Facility Amount in the Relevant Period.
5. Refund of pro rated facility fees

If the Borrower repays any part of the indebtedness prior to the repayment date, the Lender must immediately refund to the Borrower in cash that portion of any fees paid pursuant to items 1(b), 2(b) or 3(b) 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 Quarter.

Repayment date: 30th June, 2012

Ratification: the Mortgagor confirms and ratifies its obligations under the Security Document notwithstanding the amendments made by the Fourth Deed of Variation to the Loan Agreement, so that the Loan Facility will be secured by the Mortgaged Shares.

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 costs of providing the Loan Facility to the Borrower and the terms of the Loan Facility.

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

As advised and confirmed by APL, the terms of the Fourth Deed of Variation were arrived at after arm's length negotiations between the Lender, the Borrower and the Mortgagor. The Lender is a licensed money lender and is principally engaged in the business of money lending services. The total income generated from the Transaction, in the form of facility fees and interest, is at an aggregate rate of 18% per annum on the amount of 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 Transaction 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

directors of APL consider that the Transaction and the terms of the Fourth Deed of Variation 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 Directors have accepted the confirmation by APL and therefore concur with the view of the directors of APL and consider that the terms of the Transaction 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, THE BORROWER AND THE MORTGAGOR**

### **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 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 and the provision of elderly care services.

As at the date of this announcement, AGL is beneficially interested in approximately 71.10% 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 confirmation from 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.

## **The Mortgagor**

As advised and confirmed by APL, which has made all reasonable enquiries and relied on confirmation from the Borrower, the Mortgagor is a company domiciled in Australia and a wholly-owned subsidiary of the Borrower. The principal business activities of the Mortgagor are gold mining operations and mineral exploration.

## **PRIOR TRANSACTIONS**

As advised and confirmed by APL, the Lender and the Borrower have entered into the Loan Agreement, the Deed of Variation, the Second Deed of Variation and the Third Deed of Variation on 13th December, 2010, 13th June, 2011, 10th November, 2011 and 15th December, 2011 respectively pursuant to which the Existing Facilities were granted by the Lender to the Borrower for the purposes of funding the Borrower's plant upgrade and to accelerate 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, the Transaction and the Prior Transactions were entered into between the Lender and the Borrower (with the Mortgagor being an additional party to the Transaction) and were related to the Loan Agreement. The 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.

## **DETAILS OF SECURITY PROVIDED**

As advised and confirmed by APL, the Lender has also entered into the Security Document with the Mortgagor on 15th December, 2011 pursuant to which the Mortgagor granted security over the Mortgaged Shares to the Lender as security for the payment of debts and liabilities of the Borrower under the Loan Agreement, the Deed of Variation, the Second Deed of Variation and the Third Deed of Variation.

In the Fourth Deed of Variation, the Mortgagor confirmed and ratified its obligations under the Security Document notwithstanding the amendments made by the Fourth Deed of Variation to the Loan Agreement, which has the effect of extending the security of Mortgaged Shares for the repayment of the Loan Facility, so that the Loan Facility will be secured by the Mortgaged Shares.

The Mortgaged Shares are shares in the capital of ABM Resources NL. As advised and confirmed by APL, which has made all reasonable enquiries and relied on confirmation from the Borrower and public information available on the website of the Australian Securities Exchange, ABM Resources NL is a company domiciled in Australia, the securities of which are listed on the Australian Securities Exchange. The principal business activity of ABM Resources NL is 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 constitutes a transaction of AGL under Rule 14.04(e) of the Listing Rules.

The Transaction, on a stand alone basis, does not constitute a discloseable transaction for AGL on the basis that none of the percentage ratios exceeds 5%. The Transaction, when aggregated with the Prior Transactions in accordance with the Listing Rules, constitutes a discloseable transaction for AGL on the basis that the relevant percentage ratio(s) exceed(s) 5% but is/are below 25%.

As advised and confirmed by APL, the Transaction, on a stand alone basis or when aggregated with the Prior Transactions, does not constitute a notifiable transaction for APL under the Listing Rules on the basis that none of the percentage ratios exceeds 5%.

## DEFINITIONS

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

“Advance”	the principal amount of the Seventh Facility Amount, the Eighth Facility Amount and the Ninth Facility Amount to be made available by the Lender to the Borrower under each drawing pursuant to the terms and conditions of the Fourth Deed of Variation;
“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);
“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;
“Board”	the board of directors of AGL;
“Borrower”	the borrower under the Loan Agreement;
“connected persons”	has the meaning ascribed to it under the Listing Rules;
“Deed of Variation”	the Deed of Variation to the Loan Agreement dated 13th June, 2011 entered into between the Lender and the Borrower;
“Directors”	the directors of AGL;
“Eighth Facility Amount”	the amount of HK\$8,250,000, being part of the Loan Facility granted by the Lender to the Borrower under the Fourth Deed of Variation;
“Existing Facilities”	the aggregate of the following existing loan facilities granted by the Lender to the Borrower: <ul style="list-style-type: none"><li>(i) the HK\$152,000,000 facility granted under the Loan Agreement;</li><li>(ii) the HK\$82,200,000 facility granted under the Deed of Variation;</li><li>(iii) the HK\$42,500,000 facility granted under the Second Deed of Variation; and</li></ul>



	(iv) the HK\$80,000,000 facility granted under the Third Deed of Variation;
“Fourth Deed of Variation”	the Fourth Deed of Variation to the Loan Agreement dated 2nd February, 2012 entered into between the Lender and the Borrower;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“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 13th December, 2010 entered into between the Lender and the Borrower;
“Loan Facility”	the secured cash advance loan facility in the amount of HK\$33,000,000 granted by the Lender to the Borrower pursuant to the terms and conditions of the Fourth Deed of Variation, comprising the Seventh Facility Amount, the Eighth Facility Amount and the Ninth Facility Amount;
“Mortgaged Shares”	66,981,671 ordinary fully paid shares in the capital of ABM Resources NL (ABN 58 009 127 020) together with all the present and future rights and property interests attaching to or arising out of or otherwise in respect of holding and interest in such shares;
“Mortgagor”	Tanami Exploration NL (ACN 063 213 598), a company domiciled in Australia and a wholly-owned subsidiary of the Borrower;
“Ninth Facility Amount”	the amount of HK\$8,250,000, being part of the Loan Facility granted by the Lender to the Borrower under the Fourth Deed of Variation;
“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 Agreement, the Deed of Variation, the Second Deed of Variation and the Third Deed of Variation, being prior loan transactions between the Lender and the Borrower which are subject to aggregation with the Transaction for determining the percentage ratio(s) pursuant to the Listing Rules;

“Quarter”	a period of three Months commencing on 1st July, 1st October, 1st January and 1st April, but the first Quarter in relation to the Relevant Period shall mean the period commencing on the date the Borrower first makes a drawdown of the Seventh Facility Amount, Eighth Facility Amount or Ninth Facility Amount and ending on (i) 30th March, 2012 (if that first drawdown occurs on or prior to that date); or, otherwise (ii) 30th June, 2012;
“Relevant Period”	in relation to each of the Seventh Facility Amount, the Eighth Facility Amount and the Ninth Facility Amount, the period commencing on the date on which the Borrower first makes a drawdown of the relevant facility and ending on 30th June, 2012 (both days inclusive);
“Second Deed of Variation”	the Second Deed of Variation to the Loan Agreement entered into between the Lender and the Borrower on 10th November, 2011;
“Security Document”	the share mortgage dated 15th December, 2011 entered into between the Lender and the Mortgagor in relation to the grant of security over the Mortgaged Shares;
“Seventh Facility Amount”	the amount of HK\$16,500,000, being part of the Loan Facility granted by the Lender to the Borrower under the Fourth Deed of Variation;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Third Deed of Variation”	the Third Deed of Variation to the Loan Agreement dated 15th December, 2011 entered into between the Lender and the Borrower;
“Transaction”	the transaction contemplated the Fourth Deed of Variation, which contain certain amendments to the Loan Agreement; and
“%”	per cent.

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

Hong Kong, 2nd February, 2012

*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) 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.*